

UNEMPLOYMENT AND THE
UNEMPLOYED

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BY

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LONDON

P. S. KING & SON, LTD.

ORCHARD HOUSE, 15 GREAT SMITH STREET

WESTMINSTER, S.W.1

1940

PRINTED IN GREAT BRITAIN

ACKNOWLEDGMENT

THIS book was written while the author was a Research Assistant at the Economics Research Section of Manchester University. It owes everything to the spirit of free discussion, pooling of experience and mutual help freely given which prevails at that institution and the Department of Economics at the University. To the Director and the members, past and present, of the Research Section, and to Manchester's academic economists goes the author's first batch of thanks.

The book would also have been unthinkable without the Pilgrim Trust Unemployment Enquiry in which the author was privileged to co-operate. The results of that Enquiry have been summarised though not exhausted in the volume published by the Pilgrim Trust, *Men Without Work*. The wealth of impressions and of material for thought left behind by that Enquiry are the source of this book. My friends and colleagues of this Enquiry are scattered into the four winds now and I could not consult them on this book. Though they are really invisible co-operators, they are not responsible for anything in it.

Finally, there are all those who in discussions, and by the relation of facts, helped to shape this book. They are in all walks of life and too numerous to mention by name. May they accept this nameless mention as my "Thank you". My colleague, Mr. R. N. Spann, helped at every stage of this book in the most self-sacrificing manner.

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INTRODUCTION

THE VASTNESS OF THE PROBLEM

THIS book was completed before the outbreak of the present war. The war may temporarily eclipse the grave social problem with which it deals. But it is certain that unemployment will again challenge the effort of the nation in a degree perhaps never paralleled before. Let us not forget that the problem of heavy unemployment between 1920 and 1939 originated in the economic collapse terminating a hectic post-war boom. It is not too early to start thinking about the best ways of handling the problem now before it is upon us. The policy evolved in those twenty years embodies the experience from which we can learn. The mistakes are ones we need not make again. The object of the book is to review this experience in non-technical language which brings home to the average student of social affairs the issues involved.

At the moment of writing this book (March 1939), there were 2 million people unemployed. Even now, after five months of war (February 1940) the true number of unemployed is hardly less though the registered number is now somewhat lower. This figure of 2 millions means precisely nothing to you or me or anybody else. Psychologists have found out that very few ordinary persons can imagine any figure higher than eleven (it is rumoured that statisticians cannot imagine any figure lower than 1 million!), so it is better to say that one out of every seven working persons in the country stands by, hands in pockets, to watch the other six work. Six persons longing to get home from work, the seventh longing to get away from "home"—with its "extension"

of the street corner—and do a “decent job”. There is an even better way of bringing home to ourselves the vastness of the problem. If we can, for a moment, imagine a world in which the unemployed—those involuntarily removed from work—were taken from the top of the social pyramid and not from its broad base, unemployment would stretch far down to the £250 a year group. Not only our upper classes and “better middle classes” in their entirety, but also vast groups of the “lower middle class” would have to be eliminated from the process of production at one blow to create a problem of comparable magnitude. No doubt it will be said that the superior experience, brain power and training of the 2 million people with more than £250 per annum would make their loss a much more serious affair, dislocate production entirely, and result in general ruin—and so it most certainly would. Only: if there is anything at all in democracy and the inborn equal status of all human beings and the Christian belief in the dignity of the freely acting man and many other important things—the two sorts of unemployment should be considered, *and treated*, as somewhat similar disasters. And if it were the top of the pyramid that had been cut off from the rest, nobody would doubt that *something must be done*.

Now where there is any social or political or other problem of frightening dimensions, and somebody says that something must be done, we can be sure—as Mr. David Low found out—to encounter two spokes-in-the-wheel; the first “’Tain’t necessary”, the second, “’S no use”. Let us have a look at these two schools.

PART ONE
UNEMPLOYMENT

CHAPTER I

'TAIN'T NECESSARY, OR THE STAGE ARMY AND THE STANDING ARMY

ANYBODY who mentions "the 2 million unemployed" can be certain of a crushing answer. It is pointed out with some contempt for the fool who still thinks that 2 million unemployed *are* 2 million unemployed, that the 2 million unemployed are really only some 300,000. Only these 300,000 are the standing army of unemployment. How has this figure been arrived at? They are the less than 300,000 people who are shown in the Unemployment Returns as having been out of work for twelve months or more.

Now what about it? To begin with, even 300,000 people are a large crowd not smaller than the total number of people with incomes of £400 and more.

In the second place, a year of unemployment means some 6,000 hours of waking life spent in idleness, and perhaps we might fix 1,500 hours of waking life or three months as a better mark for the just tolerable limit for a compulsorily prolonged holiday without the means of making it a holiday. If we fix our limit at three months we find that the standing army of unemployed (the men who have been in the queue for at least 1,500 hours) goes up to some 800,000 (which is about the number of people with over £300 a year).

That leaves us with some 1.2 million people who are claimed to be the "stage army" only, and not "really" unemployed. But who are these people, this "stage army", these less than three months unemployed? Among them there would be in this month of February 1939, the unemployed coal miner in Merthyr Tydfil who

last saw the inside of a mine some thirteen years ago before the "Great Strike" started, but who happened to have the privilege of being employed as an auxiliary postman in the last week just before Christmas, when even people in Merthyr Tydfil send and get letters and parcels. Among them there might be the unemployed riveter in Jarrow, who has not seen the inside of a shipyard for ten years, but who has just had his once-in-five-years-turn of public road building. Among them there will be the unemployed cotton weaver's unemployed wife, who, after five years out, has had two weeks of "working sick" while her more fortunate workmate had her baby. Among them there will be the docker in Liverpool, whose working month consists of one week on and three weeks off. And so we could go on and on. There is not a small permanent chorus of "really" unemployed and a huge revolving stage army who come on the scene again refreshed behind the scenes and full of beans and with nothing seriously wrong with them. Rather we must imagine the 2 million about equally divided into a standing army, that type of person whose main job is to be unemployed, and the "stage army" of those whose main job is still to be in work but who are just now out of it.

So much for the "only 300,000 really unemployed", that stronghold of the "'Tain't necessary view"—which may be held by some civil servant in Whitehall with a horror of having things said as they are, or the man who feels it is "letting democracy down" to talk of 2 million unemployed.

But worse still. Let us turn the tables on the "'Tain't necessary's" and look at that "huge stage army" behind which they are taking refuge. Even if it were true—we have seen it is not true—that there is this huge "stage army" and only a small hungry standing army. What does it mean? First of all it means that most of the people in the queue have had a job quite recently. It does not necessarily mean that they are going to have another job again quite soon. When the Great Depression of 1930-2 came along and tens of thousands of people were

thrown out of their jobs every week, the "stage army" was overflowing. The huge majority of the unemployed—a much bigger majority than now—were shown as "unemployed for less than three months". No doubt some "'Tain't necessary" civil servants in 1931 argued there was nothing really wrong because the unemployed were really only a "stage army"—but two years later the number of unemployed was at 3 million! Thus the huge "stage army" is a danger-signal.

But even if it could be admitted that the "stage army" of unemployed are people who have not only had a job not so long ago but that they are also going to have a new job pretty soon, a huge "stage army" would still be bad enough. For it is an indication of the wide spread of unemployment over the working population. We are told for instance that in February 1939 about 1 million persons have been "unemployed for less than three months", that is to say they lost their jobs in the preceding three months, that means that jobs are being lost at the rate of at least 4 and probably 5 or 6 million a year, and this among a working population of some 13 millions. The higher the proportion of the "stage army" among a given number of unemployed, the higher the rate at which jobs are being lost, the wider the spread of unemployment, the less security. Insecurity of those who have jobs and the widespread incidence of the risk of unemployment, that is what we are asked to accept as a mitigating factor and as a pretext for not taking action to diminish unemployment!

Even if we see the world through the rose-coloured spectacles of the "'Tain't necessary" man, if we consider the "stage army" as people going through just a passing phase of unemployment interspersed between two jobs, these people cannot *know* whether they are going to get back, whether the new job will be in their own trade, what working conditions or wages will be, where the job will be, what the hours will be. It is this element of fear and uncertainty which is one of the main dangers of unemployment, and this is, among the "stage army",

perhaps even more pronounced than among the more permanently unemployed who have got used to expecting nothing.

Only small sheltered corners of the labour market are nowadays free from this fear of unemployment and insecurity, such as railway men or bank clerks. The highest degree of skill is no protection, for it may become obsolete over-night.

After this, we surely can from now on return the contemptuous smile with which we have been informed that " 'Tain't necessary".

CHAPTER II

'S NO USE, OR THE IRREDUCIBLE MINIMUM

THE "'S no use" group of people, the group of people who think you cannot do very much about unemployment, start from one general idea. They think of a certain fixed number of jobs and a certain number of people competing for those jobs and they find that the number of people competing for the jobs is in excess of the jobs available. There are thus "not enough jobs to go round", or looking at the same thing from the other end, "too many people competing for the jobs that are going".

After this, the "'S no use" group splits into two sections. The first section wants to reduce the number of people competing for the jobs. This is the general idea behind such remedies proposed as, pensioning off all men who are 55, taking jobs away from married women, keeping the Irish out, raising the school-leaving age to 16, pensioning the men in the depressed areas off, etc.

What can be said about these schemes? First of all, for some of them—for instance, raising the school-leaving age—very much can be said on grounds of general social and economic policy, but as a cure for unemployment they are a fatalistic solution—or, rather, they are not a solution at all but an evasion of the solution. People want jobs but it is leisure that they are to be given. It is not curing unemployment; it is just curing the disturbing unemployment statistics. The disappearance from the register has to be paid for by the employed community at large, which is charged with the cost of

retirement, education, etc. It is possible that this investment by the community at large, for instance, in increased education, may prove a very profitable investment. It is also true that the adoption of some artificial reduction of the labour market will be inevitable, but all the time we should be conscious that the people who pin all their faith on the artificial curtailment of the number of people competing for jobs, and who hope in this way to make "the work go round", are not offering the best thing, "employment", but they are offering a second best thing, "leisure in security". This section of the "'S no use" people think of alleviation of unemployment but not of a cure.

The danger of this attitude is that it is so very popular. The idea of the fixed number of jobs which is not enough to go round is so sweet and simple. It is also the natural reaction of the unemployed men or women themselves who feel that there must be someone who has "done them out of their jobs". The women will tell you "it is the girls taking our jobs", the family man "it is only the youngsters they are after nowadays", the young man will tell you "it is the family man any time who is getting the preference now", the middle-aged man "it is the old-age pensioners and the police pensioners doing sweated labour", the old man will tell you "the old ones are the real under-dogs", the English will tell you "it is the Irish taking our jobs", and the Irish that of course they cannot get a job because of the prejudice against them.

I could go on with that list for several pages but the important thing is to see that this fatalistic attitude of "'S no use" fits in with an understandable attitude of the average man and, above all, of the unemployed man himself, who feels there must be "someone responsible for so many individuals being out of work". But that does not alter the fact that fundamentally when you go behind all the popular appeal of schemes of this kind, you find that it is really a counsel of despair, of giving up, of "'S no use".

The second section among the "'S no use" people

arrive at the same conclusion, that is, that you cannot really cure unemployment. They explain to us why with the best will of the world, if the number of jobs is not sufficient to "go round" it is not possible to increase the number of jobs and bring it up to the number of people competing for them. This second section holds what is also known as the "Treasury View", that is to say, the view that has been held by those in a position of making financial history during the last seven or eight years. This view is that the number of jobs going is fixed by the extent to which employers find it worth while to offer jobs. Any attempt to increase that number "artificially", for instance, by trying to create additional jobs by Public Work Schemes, is bound to defeat its own ends or even to do more harm than good, because if the State or any other public body asks for the capital necessary to undertake such schemes they compete with private enterprise for that capital; and to the extent that the State succeeds in finding capital to finance the creation of additional jobs, that capital will not be available to private enterprise. Therefore, they argue, employment can only be created on the swings by putting other people out of their jobs on the roundabouts. At this point, the "Treasury View" again splits into two. There are nowadays only very few addicts to that view who would say that because the number of jobs cannot be increased, nothing can be done at all. This extreme form of "'S no use" is comparatively rare, but the second milder form connected with the "Treasury View" is very widespread and just because it is a "Treasury View"—that is, the view of those in a position to get things done. This milder form has in actual fact been very important in shaping unemployment policy.

The addicts to that milder form declare that the main thing that can be done about unemployment is to make it as easy, tempting, and worth while for private enterprise to create a large number of jobs on its own so that no vain attempt need be made to increase the number artificially. The main means of tempting private enterprise to do so

is by giving them free and easy access to the capital they need to create new jobs, or in other words, to make money cheap, and this is the main weapon, known as a "policy of cheap money", with which this country has been fighting unemployment during the last seven or eight years.

Has not this policy been successful? Have we not fought our way out of the Great Depression? Yes, up to a certain point, that policy has been successful. It is not difficult to see what point that is. Cheap money will increase the number of jobs going in all those trades where the creation of additional jobs requires the acquisition of additional "capital" (i.e. machines and materials) by the employer, and particularly where the outlay of capital comes all at once and where the additional capital necessary cannot be gradually provided in the course of time by the additional jobs themselves. A good case in point is the building industry, where the huge capital cost of building a new house (ranging from £250 for a small house up to £2,000 for an expensive house or flat) has to be found at once before work can be started; whereas afterwards for a long time to come only very little additional money is required to keep the house in a good state of repair. Thus a "policy of cheap money" was successful in producing the biggest "Building Boom" ever experienced in recent history. With the stimulating effects of the "Building Boom" felt all round, the "policy of cheap money" has certainly gone a long way towards really dealing with the unemployment problem.

Now where is the snag? Firstly, as can be seen in the example of building, cheap money favours the "once and for all" type of employment as compared with the "current" type of employment. Once a house is built it provides very little further "current" employment, but needs only very occasional bits of employment to keep it in order. Therefore, cheap money tends to bring about a precarious, unreliable, unstable improvement. It is not creating additional jobs that can be relied upon to last. The slackening of the building boom that is already apparent shows the dangers of this policy. No current

jobs are created to receive those workers no longer required once the "Boom" stops.

The second snag, and this is a much worse one, is this. To make it easy and cheap for employers of labour to come by new capital is of course to encourage only those employers to offer additional jobs who *need* new capital. Now what employers do need new capital for new jobs? They are the employers in those trades where the old capital is already fully used in providing jobs—in other words, those trades that are already pretty busy and are considering expansion and erection of new plant. But: to make new capital cheap does not encourage those employers whose problem it is to set some of their idle *old* capital to work in providing new jobs. To make it cheap to get new capital does not help those employers in the least. Now this is, of course, the situation in those trades where employment is slack and demand has fallen off, leaving much of the existing capital idle. The best example of this are the depressed "heavy" industries such as coal-mining, ship-building, iron and steel, and also the Lancashire cotton trade. This problem is not touched at all by the "policy of cheap money", although it is in those trades that the real problem of unemployment exists. It is because it evades this problem that the "policy of cheap money" must be considered as a counsel of despair sprung from the "'S no use" attitude.

It is clear what has happened. The "Treasury View" with its "policy of cheap money" has made expansion easier for those trades that are expanding, but it has done nothing to avert or mitigate decay in those industries that are now decaying. While the strong ones have been helped, the weak ones and the most needy ones have not. Thus while unemployment has been diminished, it has, at the same time, been very unequally distributed and been laid on the weaker shoulders. This, of course, runs contrary to what should be.

So now we have seen that this "'S no use" attitude of the fixed pool of jobs leads to three things. Firstly, it leads to second-best measures restricting the number of

people in the labour market. Or it leads to throwing up our hands and exclaiming "'S no use"; or, thirdly, it leads to a "policy of cheap money" which is following the line of least resistance and merely encourages those employers who are willing anyway to provide new jobs, while failing to grapple with the real problem of unemployment.

Surely there is something wrong with this idea of a fixed pool of jobs. In the next chapter we shall do away with this idea of a fixed pool of jobs which results in such a deadlock for unemployment policy. Instead, we shall put forward a quite different idea which leads to a better understanding of the present unemployment problem and also to a more constructive policy.

CHAPTER III

THE JOBS AND THE PEOPLE—FIVE BARRIERS

THIS new idea which we now put forward for a better understanding of the unemployment situation does not consider the unemployed as people left over in a game of musical chairs when the music stops and the number of chairs to sit upon is found to be short. This is, as we can easily see, the "fixed pool of jobs" idea. We contend that we should think of the unemployed as persons who cannot be fitted into one of the available chairs or jobs, either because there is something about them which makes the ordinary chair unsuitable for them or because the chairs provided are of an unsuitable kind. The jobs are sufficient to go round, but the people cannot get at them.

In other words, it is better to think of unemployment as an indication that the jobs available for the people, and the people available for the jobs, do not fit in with each other. It is not sufficient that the jobs should be there and that the people should be there, but a certain machinery is necessary to bring the jobs and the people together. That machinery is not doing satisfactory work. The various centres of breakdown will be described in this chapter. Generally speaking this idea of a break in the connection of barriers between the jobs and the people is much truer than that of an insufficient pool of jobs.

The first barrier is that of *distance*. The people are not where jobs are going and the jobs are not where the people are waiting for them. Roughly speaking, jobs are going in the south and the east of the country, around London, Birmingham, Coventry, Leicester, and other

places. The people waiting for them are in the north of the country, in Scotland and in Wales. Jobs are waiting for the men in Slough, but the men are waiting for the jobs in Crook, Co. Durham. There is an inadequate pool of jobs—yes, but only in Wales and Durham, etc. But there is also an insufficient pool of men in London and Coventry, etc. At this I can see many people shaking their heads, for is not there unemployment everywhere, even in London, even in Slough? There is indeed, but the people unemployed in those places where jobs are going are—with the exception of some special groups—*unemployed because there is an insufficient number of people there!* This sounds like “Alice in Wonderland” and therefore we must consider more closely the second centre of breakdown which will help us solve this puzzle.

The second centre of breakdown has to do with *skill*. The people wanting jobs, that is, the present unemployed, belong to two classes of people, at least a great majority of them. There are, first of all, the “labourers”, the unskilled workers, those who are drifting between industries or, if they are attached to any trade, have only acquired that degree of skill which anybody acquires who does a thing quite often and is not a half-wit. The second group are the really skilled people, skilled in the craftsman’s sense of the word, having served an apprenticeship, brought up in certain ways of doing work and strictly adhering to these ways and to high standards of competence. But the jobs that are going are in the great majority jobs for quite a different class of people from these two which we find so often among the unemployed. The demand is for people who are often called “semi-skilled” (that means, half-skilled) and who are above all “machine minded”. There is no demand for the man who has no special skill at all or only the common-sense degree of skill. On the other hand, the ways in which things are done are no longer those to which the skilled craftsmen have been used and the new ways do no longer require their elaborate training, their

high standards of competence, and their adherence to ways of doing things painfully learnt by long experience. Here again we see how the jobs and the people do not fit in with each other; the people are unskilled or skilled; the jobs are for the machine minders. This is particularly so in the new light industries. For instance, motor-cars, aeroplanes, wireless sets, or the motor transport industries such as road haulage or transport of people by bus, that is, exactly those trades for which jobs are going in the south and the east. It is because these new trades have to wait for a supply of suitable machine minders to come forward before they can offer the full amount of jobs which is really "in them". If these "key men" are forthcoming, the expansion in these trades could go on and take up the slack of unemployment which is now to be found even in regions where jobs are going. The fact is that the unemployed in the south and east have to wait for the necessary "key men" to come along before they can be reached by the jobs that are going.

The first barrier "distance", explains how there can be people waiting for jobs in one part and jobs waiting for people in another part. The second barrier "skill", explains how there can be even *in the same area* people waiting for jobs and jobs waiting for people. The first barrier results of course in the creation of "Depressed Areas" and will occupy us at great length in the next two chapters. The Depressed Areas problem is aggravated by the second barrier, that of "skill", also being operative, for even in the old heavy industries there is a demand for the new type of coal-miner (for instance) who knows how to handle coal-cutting machinery and for the new type of surface worker who is competent at crushing and screening machinery. Various instances could be quoted where even in the Depressed Areas with their endless queues of unemployed coal-miners, extension was prevented by the suitable men not being available and in other cases, suitable men had to be imported into the Depressed Areas.

Here, it is important to gain a general idea of where the barriers operate and how many there are of them, but before we go on to further barriers, we will stop for a moment, look back and make it clear to ourselves how far we have already moved away from this idea of a "fixed pool of jobs", and that things can only be improved if as many people as possible are kept away from the competition for the jobs.

Take the statement we have just made, that for many of the unemployed in the prosperous regions of the country the best prospects of getting back to work are that more people of the *right kind* should move into these regions. Very far from increasing unemployment by increasing the competition for jobs, an influx of people will improve the unemployment situation and may even be the only means of improving it—provided they are people of the right kind. An influx of people of the wrong kind, that is, of unskilled people or of people fully skilled in the old and obsolete ways of whom there are already too many, this will, of course, make the unemployment situation worse. *But it all depends on the kind of people who do come in.* The right kind of people bring not only their own work with them, they provide also work for others; the wrong kind of people simply swell the Unemployment Register or take a local man's job. The right policy is, therefore, not such as is suggested by the "musical chair" idea to keep everybody away, to retire people, etc., but the right policy is to attract the right kind of people and to keep away the wrong kind.

The third barrier or centre of breakdown is that of "age". The proportion of the jobs for young men is much higher than the proportion of young men among those wanting jobs. In a big Employment Exchange where employers ring up or write to notify vacancies and ask for people to be sent down for jobs, the demand will be time and time again for "single men under 25", "a girl not over 20", "a juvenile", "a young man", and so on, and so forth. About one in three jobs perhaps will

be restricted in this way to the younger people and even for the other two jobs youth will often be a strong ground for preference. There are various reasons for this. First of all, it is a question of wage. A single young man with the alternative of 17s. on the Dole may consent to a lower wage than the family man with heavy responsibilities and the alternative of a weekly Dole of £2. This is a well-known fact; but it is not sufficiently taken into account by those who advocate family allowances (i.e. grading of wages according to family responsibilities) as a cure for unemployment.

Some of our present troubles and difficulties in getting the family man and older man into work is due to the fact that a family allowance system is actually in operation only it is not working *upward* from the standard wage in the case of family men as it is demanded, but it is working *downward* from the standard wage for the young man.

Apart from being a question of wages, it is also a question of efficiency, for many employers assume that young men are better able to stand up to the speed, strain, and noise of mechanised work and that they are also more machine minded. In this the employers are probably partly wrong, because the physique and the nerves of the middle-aged and older men have often stood up better to unemployment than the young men who have been on a Dole Diet and living in a Dole mentality during the formative years of their lives. In a certain pit in Durham, for instance, where this problem has been thoroughly gone into by an expert, it was found that more of the old men could be permanently kept on because they proved satisfactory, than of the younger men for many of whom it was the first days of real work they had ever had.

The fourth barrier lies in the fact that the bulk of the unemployment problem consists in the unemployment of men, whereas in the supply of jobs a large proportion are jobs which are for female and juvenile work. Here again, we see that it is a misfit in the type of jobs offered that is at the back of the unemployment problem. Again, if we go into the facts of that particular misfit we

see that the problem is not so easy as many unemployed men themselves tend to think. It is not "the women or the boys or the girls taking men's jobs", the true facts are quite different. There is no evidence that in industry as a whole women or juveniles are encroaching into jobs that used to be the preserve of men. But what does happen is that those industries in which nearly all jobs to be done are men's jobs are on the decline and there is a surplus of male labour in them. Of the new industries, on the other hand, that are rising to take the place of the declining "men's industries", it is true to say that a very high proportion of the jobs offered in them are jobs for women and juveniles. So in this particular misfit one must distinguish between two things. It is not true that women have put the men out of work, but what is true is that surplus male labour that has lost employment cannot find employment in new trades because they cannot turn themselves overnight into women or boys, nor could they accept a woman's or boy's wage. If they could accept that lower wage, that barrier between them and the jobs would become much smaller. Therefore, looking at it this way, one might consider that the fourth barrier is one of wage rather than of sex.

What we have said just now leads us to the fifth and last barrier between the people and the jobs which we are going to mention. After "place", "skill", "age", and "sex", there is the misfit of "*trade*". It is a fact that in this period 1919-39, between the two wars we have been, for the first time, faced with the problem that particular important trades are on the decline. Important trades which used to be considered as pillars of the economic structure are now unable to hold out reasonable hopes of employment, even to those people who have become attached to them, not to speak of new entrants. On the other hand, we observe the mushroom growth of new trades such as aeroplane manufacture or bus transport. There are two reasons why this particular centre of breakdown has become so much more important recently. The first reason is that time seems to move faster nowadays,

changes are taking place at a quicker rate. The second reason is that because of the slowing-down of growth of population and of international trade and also because of political unrest, this has stopped the expansion of the economic system as a whole which used to carry even the backward trades with it, so that if new trades are to rise—and as we have seen they rise very fast now—other industries have to contract in order to make room for them. Now “contract” seems an easy word to say but what it implies is that there is a permanent loss of jobs in that trade and that people who have entered a trade and tied up their life with it for good and ill are faced with a cruel alternative: either to change that trade or to be permanently unemployed. Here again, “change one’s trade” is an easy thing to say, but it is not easier for a man in the middle of his life or later, than to change one’s language or one’s habits or one’s name, or one’s religion, and for the skilled worker in particular, it is often not easier than changing one’s colour. Also to enter a new trade may often only be possible by accepting the reduction of status to that of an unskilled, clumsy beginner in the new trade, worse at it than any boy, and this prospect may for some people seem even worse than unemployment. Therefore, it is obvious that after place, skill, age, and sex, this attachment to a contracting trade is the fifth great barrier between the people and the jobs. The jobs are going in trades to which the people do not belong, and the people are attached to trades in which no jobs are going.

The most important thing, therefore, that could at the moment be done, about unemployment, would be to remove these barriers between the people and the jobs as much as possible, and after having had this glimpse of the lot of them we now consider the first barrier, that of “place” as an example of what has been tried to lower them. This problem of the barrier of “place” or “distance” is, of course, that generally known as that of the “Depressed Areas”.

CHAPTER IV

THE DEPRESSED AREAS: (a) HERRINGS AND CREAM

EVERYBODY knows that there are with us nowadays Depressed Areas, whole districts and counties in which economic life has come to a standstill, but very few people know that there were Depressed Areas with us even in those better days before the 1914-18 War. A good example of this is the decline of the Cornish tin-mining industry, and it is very important to see how the problem was solved in those days and why the same remedies cannot be used successfully again. What happened then were four different things. (1) The unemployed tin-miners of Cornwall took to other trades which were very similar in nature to the old trade and which were not affected by that same decline. (2) They reduced their customary standard of living and accepted work as unskilled labourers elsewhere, or they took to other occupations on their own in which they made a very rough and scanty living. (3) There was actual starvation and a removal of people to workhouses. (4) There was a large-scale emigration overseas. Now, none of these four remedies for the situation is available to-day. First of all, it is no longer one isolated part of a trade that is declining for some special reason but whole groups of connected and similar trades together, and therefore people who are willing to change their trade come up against the full difficulties (or sometimes even the impossibility) of "changing their trade", which we have already mentioned. The second line of escape, "offering themselves at starvation wages as unskilled labourers in other industries", is no longer open, partly because Wage

Regulations and Trade Unionism prevent this undercutting from taking place, partly because the existence of Unemployment Insurance and the Dole has put a bottom under what people will accept in the desperation of having lost their jobs, but mainly because there is, as we have already seen, an over-supply of unskilled labour in nearly all trades and the demand is for machine specialists, not for unskilled labour. In the third place, as far as starvation of people or the removal to institutions is concerned, we no longer accept this as a "solution" of the problem. There has been a sharpening of the social conscience since pre-1914 days, which has barred for all practical purposes that line of policy. Some people will object here that "starvation" is still being practised, but this is playing with words. Without taking sides now in a problem into which we shall have to look later on in this book, what we can say already is that there is no "starvation" in the extreme sense of the word, people left to die because all support is withheld from them, although there is widespread "starvation" in the present Public Meeting meaning of that word, in the sense that people are forced to live on a standard which seems to us—with our sharpened social conscience—to be absolutely intolerable. And finally, in the fourth place, as for emigration overseas, we know that in this time of agricultural distress and of immigration restrictions overseas, emigration has entirely stopped, and actually more people are returning from America, Canada, and Australia than are being sent into them.

Therefore, these four old and tried means of letting the problem solve itself in its own way are no longer available and new means have had to be invented.

There are two ways lying open of smashing that barrier between the people and the jobs. The first is to get the people out of the wrong places and get them to where the jobs are going. The second is to remove the jobs from their wrong place and get them to where the people are waiting for them. Which of these two policies has been pursued? The answer is: both at the same time, and it is

vitaly important for an understanding of the problem to see—as it shall be shown in this chapter—that doing both things at the same time was not much better than doing nothing at all. A herring is a good thing, and cream is a good thing, but herring *and* cream gives us only a tummy-ache.

There has been a very complicated machinery set up to bring the jobs to the people, that is to attract industry into the Depressed Areas. The man in control of all this complicated apparatus is the Commissioner for the Special Areas who was put into office by the famous Special Areas Re-construction Act of 1934. His job was—to quote the official text of the Act—“to facilitate the economic development and the social improvement” of the worst-hit districts in South Wales, Durham, Tyneside, West Cumberland, and Scotland. Of these two jobs, “Economic Development” and “Social Improvement”, the stress was in the first years after the Act very much on the second, the “Social Improvement”, and the Commissioner was barred by the Act from giving any money subsidy to “enterprise carried on for profit”. Now as in our economic system nearly all the jobs that are going are provided by “enterprise carried on for profit”, and as money is the only thing to which “enterprise carried on for profit” is sensitive, it is clear that the Commissioner did not manage to make any impression on that huge barrier, but later on, after one Commissioner had resigned, exasperated by the restrictions imposed upon him, the new Commissioner was given power to make subsidies to “enterprise carried on for profit”. By now the prospects of money gifts are held dangling before the eyes of private enterprise at any step it ventures across the barrier into the Depressed Areas.

First of all, an employer who crosses the barrier and brings jobs to the people in the Areas, does not have to build his own factory in grimy surroundings. Oh no! He can rent a factory on a modern Trading Estate built to his own requirements with railway sidings at his doorstep, with the most modern factory amenities in the way

of power supply, gas, light, pleasant surroundings, and plenty of room for extensions. The importance of this financial inducement is that it saves the employer the heavy capital cost of building or acquiring his factory, which is a heavy burden on any enterprise from the start and may only be had, on very onerous conditions, from the banks or from private persons with whom all future profits have to be shared. In the second place, it is often impossible for many industrialists to put up so much capital in advance even though the production they want to undertake may have "plenty of money in it" once it is going. In the third place, there is a considerable risk attached to putting up the capital for one's own factory because if the new line of trade does not prove profitable after all, the factory is a millstone round your neck. As we have said, there is none of this for the employer in the Depressed Areas, he need not put up any capital. He just makes that small annual payment which he might even make out of his profits if his new line of trade catches on quickly. If it does not catch on he can still withdraw without too much loss to himself. Finally, if the employer can only put up the working capital himself, he is not dependent on the banks or other people and need not accept any conditions. This first inducement dangling in front of the job-bringer's nose is, therefore, a very tempting and fat hare to have in front for any greyhound.

But there are more good things in store for him. For some years after their start in the Depressed Areas, the State—in tender care for the teething troubles of any new enterprise—will not charge them their full amount of rents due, of income tax due or of rates due. A kindly hand is in this way stretched out to help industrialists over the first critical years of their venture into the Areas and in this way they are encouraged to cross that barrier.

The third attraction is the permanent reduction of rates to employers setting up in the Areas. This has been done by altering the distribution of national money to local authorities in such a way that the local authorities

in the Distressed Areas are getting much more out of the "central pool" than they used to do. In this way, the rates which the local authorities have to charge are being kept down and made more equal to those in other districts. This results of course in a saving to the employer settling in the Depressed Areas.

The fourth hare appears as a "Local Development Council". These are organisations which have been formed by the money supplied by the "Commissioner for the Special Areas", that is, by tax-payers' money. What these organisations do is that as soon as they hear of a prospective job bringer from across the barrier, they get hold of him, find out what are the matters that make him hesitate about bringing the desired jobs to the people, or what are the little extra things that would give him the final push to that side of the barrier on which the people are. The idea is, of course, that when they have found out, they put the things right where they are not as the employer wants them to be, or they do the little extra things the employer has set his heart upon. This, of course, with public money, not their own.

Fifthly, there is S.A.R.A. This has got nothing to do with the Old Testament, for it stands for "Special Areas Re-construction Association", and this body—which is really only another name for the Commissioner again—makes it easy and cheap for the industrialists to find that capital which they still need even when they do not buy their own factory, or for those employers who are not tempted by the first hare because their capital required would still be more than they could get on easy terms.

The sixth hare carries the colours of Lord Nuffield and it is called the "Nuffield Trust". This body also gives money on cheap terms to industrialists who venture into the Areas.

And there is a seventh and last inducement, and this is, that any employer in the Areas can nowadays have his workers specially trained at no cost to himself for the particular kind of trade he intends to start upon. This action may make all the difference to an employer,

because starting the process with clumsy and untrained labour may force him to give up his venture before it could ever show the real results needed to encourage him to go on with it.

Now looking at all these money bribes held out to tempt employers from the job side of the barrier to the people's side of the barrier, it will be agreed that it could hardly be more complete, at least short of actual compulsion, that is, the prohibition of employers from offering jobs except on the right side of the barrier.

It is also a system of money bribes which must be a strong temptation for many employers, but even so to one of them the final touch seemed to be missing. There is the story of one employer who had intended to set up a new factory in a very depressed community. The local Development Council had taken him round by car, he had been treated like a prince, addressed by the Mayor and had had all the advantages which we have discussed just now fully explained to him; he was evidently deeply impressed and kept on asking, is it really true that I have got to pay no income tax, and so after a long period of hesitation his mind was made up: "All right, you get me Government orders to keep me busy for the next five years and I will start in this place." And this is the eighth attraction, if not "Government orders for five years", so at least a good slice of the big Government cake.

But at the same time as all these efforts are made to bring the jobs to the people, the opposite effort has also been made to get the people out of the Depressed Areas and into those places where jobs are going. This opposite effort is not made by the Commissioner for the Special Areas but by another State Authority, the Ministry of Labour. This effort of organised transference of people from the Special Areas has been no less determined than the opposite effort, although organised transference came on top of a huge wave of voluntary transference. People were leaving the Depressed Areas and going to places where jobs could be found in large numbers as soon as the Great Depression which covered

the whole country, good districts and Depressed Areas alike, with a heavy layer of all-round unemployment had blown over. This migration since 1923 is one of the biggest internal migrations ever experienced in history. The population in the deserted parts of South Wales at the top of the mining valleys where the coal was first worked out fell rapidly, and so did the population in the remoter parts of South West Durham where the pits were flooded and there was no hope of re-opening, and in remote West Cumberland. On the other hand, new communities sprang up on the other side of the barrier in the south and east which were mainly populated by northerners or Welshmen. Nobody, for instance, who walks the streets of Slough nowadays could doubt that the place is at least as Welsh as Rhymney. The people have proved much more willing to go to those places where the jobs are going than the industrialists have proved willing to go to those Areas where the people were waiting.

And now on top of all this natural migration, there is a new system of additional inducements held out by the Ministry of Labour. Just as the Commissioner holds money dangling in front of the industrialists to entice them to take their jobs into the Depressed Areas, so the Ministry of Labour holds money dangling in front of the people in the Depressed Areas to entice them to take their labour force into other parts of the country. For instance, under the "Household Removement Scheme" the cost of moving the household and the incidental expenses of settling in new areas are refunded. Generally speaking, anybody who moves out of the Areas with the approval and through the operation of the Local Employment Exchanges, will be sure of getting his "digs" paid for him and having the Exchange at the other end ready to help and support him. People are now even being paid money to leave the Area for a time, say ten days or a fortnight or so in order to explore their employment opportunities in other places, and if they can fix up a job, go back and arrange for their final removal to the place

of the new job. Both journeys, the return journey, the cost of board and lodging while looking for the new job and of maintaining his family at home meanwhile, and of the final removal, are all found by the Ministry of Labour. Free training facilities are provided for men within certain age limits to help them to gain a foothold in new areas with their new trades. There is so much anxiety to induce juveniles, particularly boys, to leave the Depressed Areas before the rot of unemployment sets in, that in this particular case, the authorities even break with a sacred principle called "no wage subsidies". It is this principle which prevents the Employment Exchange or the U.A.B. or the Public Assistance Committee from supplementing the wages of a man who cannot command a living wage, either because he is not of full industrial value or because conditions in his trade are particularly bad, or because he has particularly heavy family responsibilities. Supposing an unskilled labourer is on the U.A.B. with his wife and seven children to feed and he is getting 42s. from the U.A.B. and he could only get 45s. in work, with travelling expenses and extra food when in work costing him 7s. 6d. a week. He cannot afford to take that job but would have to stay on the U.A.B. at 42s. a week. It would seem tempting—but whether it would be a good thing that is an entirely different matter—to have this man accept work at 45s. and pay him 10s. on the U.A.B. to make up his wage. The man would be better off because he is now getting 55s. and even after finding 7s. 6d. he is still getting 47s. 6d. as compared with 42s. on the U.A.B., and what is more, he has found a job again. The U.A.B. would be better off because instead of paying 42s. they pay only 10s., the employer would be satisfied because he has filled the job he wanted to fill, and everybody else would be satisfied because the employment figure has gone down. (There is a snag in all this; but this we shall explain later in this book, and anybody who wants to know that snag now, is welcome to find out for himself.) But for the State Departments this prospect is not tempting at all. They maintain: "No Wage

Subsidies", and stick to it. But in the case of juveniles from the Depressed Areas they are actually prepared to make up the wage the juvenile will be getting in the new Area in order to make it sufficient to provide for his maintenance in decent surroundings. This wage subsidy which runs counter to the general policy of the State shows how seriously they endeavour to further by all means the removal of people to the right side of the barrier and particularly of the young ones, the people of the future.

But the old ones, the people beyond their best and with little hope of refitting themselves into a new life have not been forgotten either. Under the Family Transference Scheme, for instance, the Ministry pays many people with no hopes of finding a new job elsewhere, to move out of the Areas, they even provide a brand new house on an Estate in Birmingham, London, or elsewhere for them, with a good garden or allotment to get busy on, provided only the younger members of their family are by this removal moved from the wrong side of the barrier to the right side where the jobs are going.

The State Authorities are serious and mean business when they tackle this barrier of distance. The idea on which they go is that the problem should be attacked from both ends by enticing jobs into the Areas and by enticing people away from the Areas. Any enterprise that is set going in the Depressed Areas will bring down the Unemployment Register there. Any man who has been moved out of the Area and stays out will also be off the Register in these Areas. Therefore, according to the official view, if you pursue both policies vigorously at the same time, one day they will meet somewhere, like teams digging a tunnel from both sides, and the problem will be solved. But we shall now show that in this way the job will never be completed and that the two policies pursued at the same time will not help each other but disturb each other, that they are, as we have said before, cream and herring.

CHAPTER V

THE DEPRESSED AREAS:

(b) THE CHESHIRE CAT

THAT there is some contradiction between the two lines of policy that have been applied to the Depressed Areas is clear to anybody who has been able to cut through the tangle of committees and schemes with some common sense. You can either get the people out or you can get the jobs in. It is no use getting the jobs in after you have cleared the people out. This seems clear enough, but it is true that if there is a surplus of suitable people which is more than you can possibly succeed in occupying on any new jobs which you might bring in, then you might remove people out of the Depressed Areas and might still be able to bring in as many jobs as you can. Now the people who are responsible for Unemployment Policy seem perfectly convinced that this is the case. This is what they mean when they say they are tackling the problem "from both ends". But it is a misreading of the situation. There may have been a time when it was true, when there was in the Areas an immense surplus of men of all conceivable categories, skilled and unskilled, and machine minded, young and old, miners, builders and engineers, key men and auxiliary workers, people who had recent experience of modern processes and people who had not. But as we saw in the third chapter, this is not the real situation nowadays after a migration which has by now been going on for nearly twenty years. The situation at the moment is that the two efforts, both praiseworthy in themselves, of getting the jobs in and getting the people out, have got to a state where they nullify and cancel each other out so that much effort and

public money is wasted. We shall show that the policy of the Commissioner of getting businesses to set up in the Depressed Areas is at loggerheads with the efforts of the Ministry to get the people out. As far as the second job to be done by the Commissioner, the social improvement of the people in the Areas, is concerned, the two policies are not so much at loggerheads. For instance, the policy of "getting the people out" relieves the pressure on the house-room and diminishes overcrowding and therefore it works hand in glove with the general aim of the Commissioner, because the relief of overcrowding is one of the best social improvements that one can imagine. On the other hand, there are, even in the case of social improvement, clear cases of contradiction. Take for instance the case where the Special Areas Housing Association—this is again the Commissioner in yet another disguise—provides people with new houses in order to improve their social conditions, and this in places which are depressed beyond revival and where the policy of the Ministry is to get them out. It is clear that the net result of one State Authority's building houses for people whom another State Authority is trying to get out is waste of public money and effort, and the net result is confusion.

But now to the two major policies of getting jobs in and getting people out. Why are they at loggerheads?

The first effect of the policy of "getting the people out" has been a lowering of the quality of the people left in the Areas from the employment point of view. Now this is a very general statement and one ought always to be careful about general statements. It is certainly true that many excellent people have decided to stay behind, either because being the best people their chances of ultimately finding jobs at home were not so bad, or at least they considered them not so bad, partly because they had been drawn deeply into local life, were secretaries or chairmen of organisations and could not bring themselves to break these connections, partly because they had a large family which was difficult to move, partly because

they owned their own houses, or for other reasons. But on the other hand, no one who knows conditions can doubt that the statement I have made remains true. The people who have gone away have often been those with the best employment records and therefore, with the best employment chances elsewhere, the particularly skilled ones, the particularly strong ones, the particularly intelligent ones. The men who decided to try their luck elsewhere and break the routine of the queue and the street corner were also on the whole the more enterprising ones, and of these people the good Areas kept all those that succeeded, and these again have been a new selection from an already selected group, while those whose skill, strength, courage or perhaps only luck were not up to it, returned and rejoined those staying behind. In this way, the quality of labour in the Areas has been lowered by transference. New jobs, however, are attracted by a high standard of labour not by a low one, and here is the first contradiction between the two policies.

The second one is a very important contradiction which has not yet been grasped in its full importance, but which will make itself felt very heavily in the near future. It is a fact that among the people in the Areas, in the "not too old" age groups, there is a higher proportion of men with large families. The smaller the family the easier it was for a man to get away, easiest of course for the single men with nobody to consider but themselves. The men with large families were tied down much more, in spite of the additional help given by the various transference schemes. So they stayed behind to a larger extent. Now what does this mean? It means that the living wage in the Depressed Areas will have to be higher on the average than in other areas just because it is now predominantly men with large families that form the main body of the labour supply. These heavy responsibilities together with the fact that most of these men are used to the highest status of skilled men in their old trades, for instance coal-mining, will mean that the minimum wage

rates acceptable in the Areas will be higher than elsewhere. Jobs, however, are attracted by low wage rates not by high wage rates. Therefore, again we see that the policy of transference by putting up the acceptable wage rates is at loggerheads with the policy of attracting jobs.

In the third place, and this is even more important than either of the first two contradictions, there is the effect of the policy of transference on the age structure. The Depressed Areas which were, until 1921, Areas of a rapid growth in population, were always Areas with a high proportion of young people in them. As we have seen before, it is now young labour that is in strong demand and therefore those Areas with a high proportion of young labour will be more successful in attracting jobs than others. Now, through the policy of transference, the Depressed Areas have not only lost that advantage of a high proportion of young people, but it has been turned into a grave and increasing disadvantage. Transference means not "getting the people out" but it means "getting the young people out". The extent to which transference is concentrated on young people and how deep it bites into their ranks is not sufficiently known. It is difficult to give exact figures because no satisfactory records are kept, but in another publication, the writer of this book has calculated from certain statistics that of the emigrants of South Wales and Durham 70 per cent. were under 30 years. To give an even clearer idea of what really happens, of those people in the Rhondda Valley in the Special Area of South Wales who were between 15 and 20 years of age in 1921, no less than 40 per cent. had left by 1931, so that certainly no less than 65-70 per cent. had left by 1938. These are figures which are worth keeping in mind, and as the methods by which they have been worked out have since been accepted by various experts, they can be considered as fairly reliable, and there are many places in the Special Areas where the exodus of young people is even greater than in the Rhondda Valley. The jobs are attracted by the existence

of young labour, but transference is rapidly draining the Special Areas of that same young labour. Again the two policies are at loggerheads.

A further reason, the fourth. As we have seen just now, transference is increasing the proportion of the old people beyond the hope of re-employment and further industrial activity, and it is thinning the ranks of those young people to whom the old people look for their support. Let us imagine what this means by mentioning a few figures which are again worth keeping in mind. If we consider the population between 15 and 55 as the bread-winners, and those above and below as dependent on the bread-winners, or failing this on Public Assistance—it could be said in 1921 in South Wales that four bread-winners maintained one other person. That is to say 5 people had to live on the earnings of 4 or 25 people on the earnings of 20. In 1941, however, it can safely be forecast that 5 bread-winners will have to maintain 3 dependants, that is to say, 8 people would have to live on the earnings of 5, or 32 people on the earnings of 20 as compared with 25 in 1921. This is more than mere arithmetic. It means that even if all the remaining population between 15 and 55 that has not been removed by transference, could be got back to work so that the problem of unemployment were solved by this joint policy of “getting people out” and “getting jobs in”, and even if the wage rates of the employed population were the same as in 1921, the standard of living in the Areas would be down by one-third because of the thinning of the young wage-earning population. In other Areas that received these wage-earners the standard of living would be up for the opposite reason. Thus, transference, even if it helps to solve unemployment does so at the cost of reducing the standard of living in the Areas. Two conclusions must be drawn from this. First of all, the policy of transference, of “getting the people out”, cuts across the efforts of the Commissioner for social improvement because the first and foremost social improvement must be the raising of the standard of living, and this is

actually reduced by transference as described just now. In the second place, as we have seen in Chapter III, industry nowadays requires educated, intelligent, alert, technical-minded workers. These are the people to whom the jobs are going and the jobs will be going to places where such people are available. Now by increasing the number of dependants on any wage-earner and reducing the standard of living in the Special Areas below that of other areas, these Areas will be permanently prevented, both the families and the Local Authorities in them, from offering educational and technical opportunities for the juveniles, of the same standard as those in other areas, and so again the Areas will be, through the consequences of "getting the people out", at a permanent disadvantage in "getting the jobs in". Again contradiction. This last contradiction might also be put in another way. Each generation as it passes through schools and other educational institutions has half of its education paid for by the generation before, either directly or through rates, and in turn it is expected to provide education for the next generation. (The other half is paid centrally by the Exchequer.) In this there is an accumulation of blessings, an upward spiral of the "to him that hath shall be given" type. Education improves, this increases the earning power of those undergoing this improved process of education, this increased earning power makes it possible to provide for even better education for the next generation, this improves the earning power of the next generation and so on. In the Depressed Areas, however, there is a danger of this upward accumulation of blessings being broken or even turned into a downward accumulation of evils because the young generation having undergone the process of education does not contribute to the full value of its own education to the education of the next generation in the Area because they have moved out and their earning power is lost to the Area. The fact that there are now fewer people to educate does not avail against this as the cost of education does not fall in

proportion. The level of education is higher the greater the number of people making use of it.

The fifth reason why the two policies are at loggerheads is because transference creates what is known as "secondary unemployment". The idea is that when you remove a person from the Depressed Areas you are not just removing "surplus labour" and getting a man off the Dole, but you are also removing his spending-power from the Depressed Areas. Whether a man has been in receipt of a Dole or wage does not matter from the point of view of "secondary unemployment"; there is a loss in spending-power and as most money is spent locally the loss will be felt most keenly in the locality from which transference is taking place. People cease to spend money on the local cinemas, grocers, butchers, bakers because they have moved away; they cease to give employment to local builders because they have moved away; they even cease to employ local policemen to keep an eye on them because they have moved away, and although the arm of the law may be long, the eye of the law is shortsighted and the local policemen in Dowlais are no good for keeping an eye on people in Slough. They cease to give employment to local teachers to bring up their children, because they have moved away. Therefore, the transference from the Depressed Areas, the moving of people to the jobs, may well result in removing one man from the register, but when the ultimate effects of the loss of his spending powers are taken into account, another man may very well have been added to the register, so the net effect is a smaller population, the same amount of surplus labour, and an even heavier rate of unemployment. So if "secondary unemployment" were really so widespread as we assume in our example, the attempt to cure unemployment by moving people to the jobs would defeat its own end, because while one man is moved to a job a job is, at the same time, taken away from another man, and the policy of transference, of removing surplus labour and thereby creating the conditions in which a new industrial revival is

possible, would be like a dog trying to catch its own tail.

In fact, "secondary unemployment" is not quite so sinister as all that, but even if it needs the removal of three men and the loss of their spending-power to put another man in the Depressed Areas out of work, that means that for any three steps forward in the removal of surplus labour, one step back is made by a new addition to the register. "Secondary unemployment" occurs mainly among those trades that are carried on the back of other industries, such as building, retail trade, cafés, amusements, ice-cream selling, bookmakers, laundries, hawking, begging, etc. When the pits closed down in South Wales and in Durham, the effect was not only unemployed miners but also unemployed builders, waiters, ice-cream sellers, shop-keepers, etc. It would, therefore, be quite wrong to assume that all the unemployed in the Depressed Areas are coal-miners or ship-builders. When the main "primary" or "basic" trade of an Area is hit, the shock is felt through all the "secondary trades". The effect is that those people who have a skill which would enable them to work in several industries and who might fall back on one trade when the other is slack and then change back again when conditions improve, are deprived of their advantage. Take for instance the case of underground carpenters. When the pits closed they might have found employment in the building industry where there was in many places a marked scarcity of skilled carpenters, but when the pits were closed, at the same time the building in the Area began to slacken off. So in a place where there is one important industry the prospects of everyone are tied up with that industry; and the important thing is that in many Depressed Areas nowadays; when the basic industries die down; another industry has taken their place and become the central industry on which everybody depends: catering for the unemployed and their purchasing power which comes to them from outside in the shape of a Dole financed by the Exchequer. To remove

the unemployed from the Depressed Areas is therefore comparable in effect—in some ways at least—to damaging the main industry of the Area, that is, the purchasing-power of the unemployed, and if one considers the purchasing-power of the unemployed as the main industry of the Depressed Areas the contradiction between moving people out of the Areas and bringing jobs to the Areas is very obvious.

The "secondary unemployment" will not always result from transference. If for instance a Welsh girl is transferred to wash up dishes in a boarding-house kitchen in London or to do domestic service, or to type in an office or to pack radio sets, she may—if she is a "good girl"—send some money home to her family and this may be more than the 3s. a week loss in dole which her removal means to her family. In so far as this is the case, the main industry of the Areas is strengthened by transference and "secondary employment" is created rather than "secondary unemployment". But first of all a girl must be a very "good girl" to send any appreciable amount of money home with existing wage rates and cost of living in London. In the second place, this money will usually stop when the girl marries or when she is "retired" at 21 or 24. In the third place, her family may, under the Means Test, be deprived of a substantial part of this addition to the family income. At any rate, this is a very exceptional case. A boy who has been transferred say from Bishop Auckland to Nottingham will have to send home some 15s. or 17s. weekly to compensate his old Area for the loss of the purchasing-power of what his Dole would be if he had remained in Bishop Auckland. Even more probably, the loss to Bishop Auckland is measured by the higher sum which he would be earning there in work. In the case of adults moving it means nearly always a clean loss of the full amount of the Dole to the old community. The importance of this fifth contradiction between the two policies, which are at the moment pursued at the same time, is proved by the fact of a large volume of unem-

ployment in the Depressed Areas in the two most typical "secondary trades", building and retail distribution.

We are not yet at the end of the list. There are more contradictions. A very important one is that the continuous loss of youth and of the more enterprising population is bound in many Areas to kill the spirit of social improvement, of progressiveness, of local initiative, and to create that "dead feeling" about a place which is abhorrent to industrialists who look out for a place to locate their new factory. The writer of this book had occasion to talk to several industrialists who declared it was this "dead feeling" about the Areas which prevented them from going there. The "dead feeling" is certainly there. Nobody who spends some time in a place in which transference has done its work of removing the young, of removing the vigorous, of removing the intelligent, of removing the future, can fail to notice that feeling. Thus by creating "dead feeling", that is, a feeling that there is "no life" or "no future" in this place, transference first of all kills the spirit of social improvement and is in contradiction with the policy of the Commissioner to bring about a social improvement in the Areas, and it also is an obstacle to industrial revival and therefore at loggerheads with the efforts of the Commissioner to attract new industries, to bring the jobs to the people.

A seventh contradiction is to be borne in mind, it is this: moving the people to the jobs is a much more costly thing than bringing the jobs to the people because you cannot just take people and dump them in new places. People need houses, churches, hospitals, schools, cinemas, pubs, water, gas, electricity, sewers, libraries, Town Halls, shops, buses, stations, and many other things. People had these things in their old places, but they cannot be transferred together with the people but have to be provided for them all over again in their new places to which they are moved. The result is, therefore, to a large extent, an unnecessary duplication of such expensive things as schools, and hospitals, sewers, and buses. The

provision of this duplication of all the services for the population that has been moving to the jobs has been one of the heaviest financial burdens on the Local Authorities and the Central Authority. There can be no doubt that more money would have been available for inducing industry to go to the Depressed Areas, or to set up new industries in the Depressed Areas, or to create public works in the Depressed Areas, if the State and other Authorities had not had their hands full with this unnecessary provision for a moving population. In other words, this is again a very clear case of the policy of moving people and the policy of moving jobs getting in each other's way.

Number 8.—One of the effects of transference is to increase the burden of rates. People are moving away but the cost of providing public services for the remaining population does not fall in proportion. A street has to be lighted, although some of the houses are empty; a school must be provided although the class attendance is lower; the Town Hall must be maintained; the Medical Officer of Health paid; the highway maintained, although the population is decreasing. The same expenditure must be borne by fewer people, the burden per head must be increased, the rate per pound goes up; as the product of a penny rate falls, a sixpenny rate must be raised for maintaining a certain activity where otherwise a threepenny rate might have done. The importance of this point may be mitigated by preferential treatment of Depressed Local Authorities in getting grants from the Central Authority, but that it is nevertheless present is proved by the existence of a 26s. in the pound rate in Merthyr Tydfil as compared with Eastbourne's 8s. 6d. Higher rates are, however, a deterrent to industry in spite of the De-Rating Laws. The higher rates as necessitated by transference, therefore, directly cancel the efforts to attract industries by offering them reduction in those rates (which we have mentioned in a previous chapter). The De-Rating Laws do not apply to the private residence of an employer anyway, and this is certainly also a factor in

influencing industrialists. It is not difficult to see that because of the low rateable value—which is directly caused by transference—the Authorities in the Depressed Areas will not be able to do as much in the way of A.R.P. as those prosperous communities in which the jobs are going (this is of course not so if a 100 per cent. grant for A.R.P. purposes from the Home Office should be forthcoming, but at the moment of writing the book this is not the case and there seems no prospect of it). But the existence of efficient A.R.P. schemes may in future become a very important element in influencing people where to set up their factories, workshops, and houses. In this way, through the policy of transference the Depressed Areas might lose all advantage they could derive from being in safer parts of this land than the exposed south-east and in particular that super-target, London. Again we see transference and industrial revival at loggerheads.

And finally we mention one further point. Many of the new industries that might help to retrieve the situation in the Depressed Areas if they could be got to go there, are of such a type that the existence of a growing local market for their products is essential for them. It is, therefore, the background of falling population as a consequence of transference which dominates the Depressed Areas nowadays, which is itself one of the main obstacles in the way of industrial revival. To be on the spot where the population is growing may have definite or indefinite advantages; to be on the spot where population is falling has none for the industrialist.

So we have seen that the first and most important barrier, that of "distance", is being dealt with in a thoroughly unsatisfactory way; there is not one uniform policy but there are two policies which are, to a large extent, mutually contradictory and destructive, and this is the main reason why the barrier of "distance"—or the problem of the Depressed Areas—is still looming larger and larger as a factor in unemployment. Some people may be tempted to think the barrier is gradually being

removed. The Commissioner for the Special Areas is in the habit of pointing out in his Annual Reports the falling absolute number of unemployed men on the register within the Depressed Areas, and this is triumphantly taken up by the boisterous "'Tain't necessary" group as a proof that all is well. But this is an illusion; it is the same illusion as the one that leads to a "'Tain't necessary" attitude on the population question. Again and again, those who point out the imminence of a heavy decline in the population and the dangers of it are ridiculed by those who know just enough about figures to know that 10 is more than 9, but who do not know enough about figures to study them and see the forces at work behind them. Isn't the population still increasing every year? So they point out. In the same way we hear, isn't the register still going down? But the present increase in population can be shown to be only a fortuitous short-lived affair. Equally, the present decline in the register in the Depressed Areas can be shown to be a short-lived and fortuitous affair unless a drastic change in policy occurs. The writer of this book (in an article¹ in *The Review of Economic Studies* of June, 1939), has shown that there was, at the outbreak of the War, very little scope for further improvement under existing conditions and that the barrier of "distance" will continue, with the present policy of herring and cream—that is, of two incompatible things.

¹ *The Process of Unemployment and the Depressed Areas.*

CHAPTER VI

THE OTHER BARRIERS—OR THE WALLS OF JERICHO: (I) THE WALL OF AGE

THE next three chapters will describe what has been done about three of the other walls, apart from "distance", which we described in Chapter III, as standing between the people and the jobs, namely: the walls of "age", "industry", and "skill". These chapters will all be very short.

We might really leave a blank because practically nothing has been done. In the case of the first barrier, that of "distance", the effort has at least been made and definite measures been taken, as we saw in the chapters on the Depressed Areas, although there is at the same time reason to assume that one definite policy would have been better than the host of measures that have actually been taken. But in the case of the other five walls, "age", "sex", "skill", "industry", and "wage", not much more has been done than blow trumpets in front of them in the pious hope that they would crumble before mere gestures. But in fact they have not crumbled at all.

Let us take "age" first. What has been done has really had the effect of making matters worse rather than better. The age disparity, that is, the fact that among the jobs that are being offered, the higher proportion is for young men rather than for old, has been increased. We have already mentioned the subsidies paid to industrialists in the south and east for the employment of juveniles from the Depressed Areas. This has the form of a subsidy to the juvenile, but the effect is of course that of a subsidy to the employer, for the supply of juveniles has by these measures been made more plentiful

in many trades than it would otherwise be, and the employer is to that extent free from the necessity of adapting his working methods and the composition of his staff to the composition of the local unemployment queue. The policy of the Employment Exchanges has definitely been to "take no sides" as between employer and worker. Just let the employer state what he wants and if he expresses a preference for a young man, by all means send him down a young man. This is the policy of the Employment Exchanges known as "maintaining our status in the eyes of the employer". It is explained that if this is not done, if the Exchange tries to interfere with the employer's wishes and sends down a middle-aged or elderly man with the "green card", the employer will simply get annoyed and stop making use of the Employment Exchange altogether and try to fill in his vacancies privately as best he can. And this is a perfectly justifiable attitude on the part of the individual Employment Exchange manager who is for one thing very anxious to have a good "placing percentage" in comparison with his colleagues.

But from the point of view of the community as a whole, this attitude is most unjustifiable. The particular point is that the cost of maintenance for middle-aged and elderly men is so much higher than the cost of maintenance for the young men under 24 who are in keen demand. In an enquiry on unemployment in which the writer of this book took part, and which has been published under the title, *Men Without Work*, it was found that for men on the U.A.B. (Unemployment Assistance Board) the average payment to each man was:—

for those between 18 and 24 years	.	.	24s. a week.
" " " 25 and 34	"	.	29s. 6d. "
" " " 35 and 44	"	.	33s. 6d. "
" " " over 45	"	.	26s. "

This is, of course, because a man between 25 and 34, and even more those between 35 and 44, has more dependants than the young man under 24. This reminds

us that in dealing with unemployment we should not only just think of the men in the queue who are actually unemployed, but we should also think of the shadows behind the queues, the dependants at home. Thus, if 100 men under 24 fail to find a job, that means on the average that 163 persons are affected by unemployment and have got to be maintained by public means, but if 100 men between 25 and 34 fail to find a job, there are 301 persons to be maintained, and if 100 men between 35 and 44 fail to find a job, there are 385 persons to be maintained. This shows that the unemployment of the middle-aged and elderly man is a much more serious problem than the unemployment of the young man, at least in the sense that it is much more expensive, and the barrier of age, by increasing the proportion of the middle-aged and elderly men among the unemployed, has tended to make the problem all the more serious.

Therefore, it is really surprising that nothing has been done about the age barrier, that no deliberate attempt has been made to do something for the middle-aged and elderly men against whom the scales are so heavily loaded nowadays in industrial life, because getting a man around 40 off the Register saves the community 33s. 6d. on the average, but to get a young man off the Register saves it only 24s. Therefore, here is a point where we can catch the "'Tain't no use" man whom we have already met as holding the "Treasury View" that anything that will increase expenditure on the unemployed is a bad thing and will ultimately recoil on their own heads, and we can catch him in his own barbed wire too, because here something might be done about unemployment without additional expenditure being required. If an unemployed man around 40 could be got a job instead of a man of 21, there would be set free, without additional expenditure, 10s. a week in public money which might be used to create jobs, either by way of public works or by way of Wage Subsidies, or by any other means, and all this could be done without additional strain on the

Exchequer Funds, on the Money Market, or the Bank of England or anybody else, because of the initial saving realised by the changed policy of the Employment Exchanges.

So there are tempting possibilities for real attack on the age barrier which ought to be agreeable even to the "Tain't no use" type of mind. If we bear the above-mentioned objection in mind, that the Employment Exchanges would "lose their standing with employers", it will be understood that such a policy would probably imply compulsory powers of the Employment Exchanges to be notified of all jobs that are going, but in itself that step has nothing revolutionary about it. It has for instance been taken in such a thoroughly democratic and prosperous country as Sweden. However, all these are just day-dreams about what might be done. In fact, we must admit that nothing at all is done to lower the barrier. The only thing that could be mentioned is, that in certain subsidised Public Works Schemes, particularly in Depressed Areas, unemployed men with large families in middle-age are receiving preferential consideration because of their cost of maintenance in idleness, but this affects only a small number of men and it is only a temporary interruption, seldom exceeding two months, in duration of unemployment. It is really not more than "blowing the trumpet", but how much it might be worth doing more than just this can be seen from one short calculation. The total cost of maintenance of the 2 million unemployed is now at the rate of about £100,000,000 per year. If the composition of the unemployed force could be changed by adapting the age requirements in jobs to the existing age composition of the people so that unemployment were equally spread over all ages up to 60 instead of increasing steeply with increasing age, the total cost of maintenance of the same number of unemployed could be at least 20 per cent., or £20,000,000 a year, lower. This £20,000,000 is more than all the money being spent by the Commissioner for the Special Areas in his attempts to revive industry there.

CHAPTER VII

THE OTHER BARRIERS—OR THE WALLS OF JERICHO: (2) THE WALL OF INDUSTRY

LET us take the barrier of "industry" next: the fact that jobs are going in one industry but that people have become attached to another industry. The main measure that has been taken to diminish the barrier is the establishment of what are known as Government Training Centres. Now this is an important measure and one which has certainly not been wholly unsuccessful. Many a man has been enabled through a six months' course at a training centre, to detach himself from an industry in which no jobs were going and get attached to an industry in which jobs *are* going. The capacity of the Training Centres has usually been made good use of, the curriculum is progressive, and about 95 per cent. of the people who go out of the Training Centres are claimed to have found a job in the new trade for which they have been trained. But here again we come up against the fact that an attempt to deal with one part of the unemployment problem cuts right across attempts to deal with other parts and that even success in a limited field contains the germs of a failure elsewhere. For one thing, there is not much doubt that this transference from one industry to another by the Training Centres has amounted to an attack on the wage standards in those expanding industries for which the supply from the Training Centres has been appreciable. There are a good many reasons for this. The first is that the Training Centres are non-residential and are all clustered together in the south and east of the country where jobs are going. This has, of course, been a deliberate policy, for it makes

it possible for the manager of the Training Centre and of the Local Employment Exchange to keep in touch with those private industrialists who are considered as the main prospective sources of demand for the labour that comes out of the Training Centres. There is also the consideration that by establishing the Training Centres in the south and east, whereas the trainees come mainly from the north and from Wales, two barriers are being dealt with at the same time—those of distance and of industry. By getting the unemployed ship-builder from Jarrow to a training centre in Park Royal, you get him not only used to being a bricklayer or waiter instead of a ship-builder, you also get him used to being in London instead of Jarrow. But one result of this policy has been that a large proportion of the men in the Training Centres have been young men, and particularly single young men. Most men have been much below the age limit of 35 which has been fixed for the Training Centres. Young men and single men can, of course, much more easily make the decision to move out of their unpleasant “digs” or from a home where they are often unwanted, to the lodgings provided by the Training Centres. This is for them often a change to jolly company from loneliness. But the family men are, of course, much more reluctant to leave their home for what is, after all, quite a long period of training very far away from home. The result is that among the trainees there is a higher proportion of men without dependants who are in a position to accept a low wage because of small or no family responsibilities. At the moment of writing this book the Government is just about to introduce local Training Centres for unemployed men, for instance, in Liverpool, but this is a new move and hitherto the policy has been as described.

The second reason for the pressure on wage standards exercised by the Training Centres is that the Trade Unions are keeping a very suspicious eye on the Centres. They fear that the Centres may be the first step towards the dilution of skilled labour in many trades. Therefore,

the ex-trainee finds himself often unable to join a Trade Union and confined to low-wage non-Union shops and considered with antagonism by the Union members. Often of course the Trade Unions, by their very attitude, bring the attack on wage standards which they fear on their own heads, because if the trainee were allowed and encouraged to join a Trade Union, he would, in many cases, be only too willing and keen to comply with Union wage standards, especially as most of the ex-trainees are from districts where "Unionism" is "in the blood", particularly Durham and South Wales, but being kept out of the Unions, the trainees become instruments of wage pressure.

A third reason why men from the Training Centres often attack wage standards is precisely because the men are transferees, not only in the industrial but also in the geographical sense. Being strangers to their new industry and their new place, to the customs of the trade and the customs of the place, with no local support and nothing to fall back upon, they are much less in a position to stick out for the customary wage.

The fourth reason is that while the trainees have gone through a course of training which may be more intense, modern and less wasteful than that given to an apprentice in an ordinary firm which does not make a particular point of giving a good training to its apprentices, their training is, on the other hand, much shorter. Instead of the years and years of apprenticeship their total training is confined to a period of six months, and therefore, a man who has gone through a Bricklayers or Electrical Engineering course and has been turned out as being fully qualified, is in many cases not a really qualified skilled worker, partly because of the lack of real industrial experience in the workshop and partly because of the shortness of his training, and not being up to full standard he does not of course command the full wage rate for which he is on paper qualified. Thus, many a bricklayer from a Training Centre will only find work at a bricklayer's assistant's wages and many a fitter only at

a fitter's mate's wages. There also have been many cases where a man may in himself be fully qualified after a course in the Training Centre but where he does not consider himself so because of lack of self-assurance because of the shortness of his training, and he will accept work at lower wages.

A further reason is that, quite wrongly, many people believe that when they have gone through a Training Centre and they fail to find a job, they are no longer entitled to go back to the "Dole", and they feel it is therefore a matter of accepting any job at any wage. This is quite wrong, but very difficult to get out of people's minds. Apart from inducing trainees to accept low wages, it also prevents many people from making use of the Training Centres at all. With this particular problem we shall have to deal later on in the last chapter on "Compulsion", because it has been proposed to overcome the reluctance of groups of unemployed people, by compelling them to jump the barrier and enter a Training Centre.

The final reason is that the managers of Training Centres may have the understandable desire to have a good "placing index" for their particular Centre and they may therefore tend to persuade Trainees, at the end of their course, to accept work at low wages rather than find none at all.

It will be clear by now that the attack on the "barrier of industry", where it is successful, tends in its course to create new problems and to pile on to the "wage" barrier (which is that the jobs that are going are at lower wages than men are willing or can afford to accept), what has been taken off the "industrial" barrier.

But another objection against the Training Centre policy has been that its success has been very limited. The best proof of that is that the problem of "compulsion" has come up increasingly in the course of the last five years. If the Training Centres had been entirely successful and established that reputation among the mass of the unemployed which they should have, the

problem of "compulsion" need not be discussed at all. There would have been a regular voluntary flow to the Training Centres, which would have kept a larger number of Centres fully busy, although there might have been even in that case a small residue of the younger unemployed not making use of them. There is no doubt that the Training Centres have got a bad name among the unemployed, and this prevents them from being fully effective, because many otherwise suitable people refuse to make use of them. That bad reputation is partly unjustified. It is partly due to the fact that the unemployed in Liverpool and Glasgow, in Sunderland and Newcastle, do not hear very much of those trainees who gain a foothold in other industries and have established themselves elsewhere, and are making a living through the work of the Training Centres. These successful trainees have vanished from their ken, the people they meet are the failures, the men who have failed to get a foothold in new industries, and have returned disappointed and disgruntled, and with a natural tendency to shift the blame from themselves to the training provided in the Centres and their organisation. For this unfortunate reason the reputation of the Training Centres among the unemployed people is worse than they deserve. Some few attempts have been made to counteract this particular influence, as by showing films of Training Centres and getting successful trainees to become exhibits and "commercial travellers" for the Training Centres.

Partly the bad name of the Training Centres is not quite undeserved because mistakes are made in their organisation and the way they are run. From what the writer of this book has seen of them, these mistakes should not be exaggerated. On the whole, the training provided in the Centres is excellent. But it should be borne in mind that there are mistakes, and these mistakes are preventing the attack on the barrier of "industry" from being really effective. This is not the place to describe the mistakes in more detail, but

this will be done in the proper place in the chapter on "Compulsion", already referred to. There, the point of view will be put forward that whenever and in whatever form "compulsion" should be applied, it must go hand in hand with the elimination of these mistakes.

The particular drawback of the policy of Training Centres has been that their success has often been more superficial than real. Many people have been enabled to jump the "industrial" barrier through the Training Centres, but the number of those who have managed to *keep* on the right side of the "industrial" barrier and who gained a firm and permanent foothold in the new trade has been very much smaller. Many of the jobs provided have proved to be only temporary in nature. The reasons for this we need not go into in the same detail as we went into the reasons for low wages of ex-trainees, for the simple reason that they are roughly the same. A man who is not backed up by a Trade Union, who may be unpopular with his work-mates and—even more important—with his foreman, who is not up to the full standard of skill, will be among the first to be laid off when trade slackens, and if a man is a stranger to the district and trade he will often return to his familiar surroundings once he has been laid off, so that all the effort has been in vain and the training a failure. In many cases, these trainees, excusably perhaps, throw up the sponge too easily, and their training would have been a success if they had stuck the first spell of unemployment in the new trade a bit longer, or if care had been taken that the first job that was provided for them was more permanent than it actually proved to be. This difficulty of trainees failing to gain a permanent foothold in the new trades is often increased by the attitude of managers of Training Centres, to get their trainees jobs at the end of the course without sufficient care as to their permanency, and then show them proudly in their records as "placed straight away on leaving the Centre", and it is also increased by the attitude of some employers who consider the Training Centres as means

for satisfying the temporary need for additional staff to cope with an unforeseen rush demand or the busy season.

So, on the whole, although the Training Centres have done much good work, they have not made any real impact on the formidable barrier of "industry", although this is, perhaps, the most serious attempt at dealing with any of these other five barriers.

CHAPTER VIII

THE OTHER BARRIERS—OR THE WALLS OF JERICHO: (3) THE WALL OF SKILL

As for the barrier of "skill", it seems, if possible, even more vital than in the case of the other barriers that it should be tackled. The main reason is this: as we have already seen, lack of skill, and especially of that particular skill in handling machines which is nowadays required in industry, creates unemployment by making the jobs and the people unsuitable for each other. From certain enquiries it can be estimated that even to-day among the machine-skilled workers the percentage of unemployment is not higher than 3 although there is a fair sprinkling of elderly and old people among them. Among the really "unskilled" workers, the "labourers", the percentage of unemployment is as high as 25 to 30. But beyond that, the acquisition of specifically desired skill—particularly by young people—is the only means by which this country will in the long run be able to maintain its high standard of living. So far, the high standard of living has been derived from the possession of a world-wide Empire, from higher political security than most other industrial nations, from the possession of basic industries in which this country was "the first in the field", from the possession of mineral resources and of financial power. As we look through that list we see that all these pillars are crumbling nowadays. The Empire becomes more and more emancipated from the Mother Country economically, even more than politically. From the position of high security this country has sunk to a state of extreme exposure and vulnerability. The basic industries, and also, particularly, textile industries,

are being developed in formerly backward countries, and having been "the first in the field" has gradually turned from "the glorious summer" of a monopolistic position into the "winter of our discontent", the possession of older and technically not up-to-date industries. Mineral resources such as coal are becoming less important in an age of oil, water-generated electricity, and fuel economy. Financial power is partly being transferred from London to New York, and partly it is becoming ineffective in the face of new, ruthless trade methods adopted by totalitarian countries, and of the practice of universal defraud. The only safe protection, not only against unemployment but also against the wider effects of those ominous developments on the standard of living, lies in new leadership in skill, scientific and technical research.

In addition, it must be said that if this barrier is left alone and nothing is done about it, it is not likely to fall gradually to pieces of its own accord. On the contrary, it will become more and more difficult to remove. This happens in three ways. When trade is slack and unemployment is rising and firms are closing down, these firms do not only throw men out of work but they also cease to offer apprenticeship and training for the future generation of workers. When trade improves again, the young people who should have had their apprenticeships and training during the Depression are too old for the ordinary kinds of apprenticeships, or their wages too high to make it worth while for an employer to give them a long and thorough training. In this way, any wave of unemployment, even a passing one, leaves behind it a trail of young people who have just "missed the boat" and who are in danger of remaining "unskilled" workers for the rest of their lives and of being the material from which the unemployed of the future are recruited. Unemployment does not, therefore, only mean a present problem, it means that trouble is laid up for the future; unemployment is, in this sense, a "non-stop show", that is, unemployment creates unemployment, which in turn creates unemployment,

which in turn creates unemployment, and so on, etc. This fact about unemployment, that it is a "non-stop show", is very important to know, and later on, in Chapter 12, we shall show that unemployment cannot just be undone again by restoring the demand for labour to what it was before.

A second reason why things will go worse if they are left alone is that in working-class families the earnings of a juvenile wage-earner are so badly needed, and there is, therefore, a tendency—and in many families, even a necessity—to make the immediate earnings the first consideration in deciding what to do with a boy or a girl. It is a particular feature of our present economic system that the immediate earnings of a juvenile at 14, 15, 16, or even at 18 are lowest in those occupations which offer him skill, more security of employment and ultimately, permanently higher earnings. This has been clearly shown and described in a book called, *The Juvenile Labour Market*, by John and Sylvia Jewkes, which everybody who is interested in this particular part of the unemployment problem ought to read. There it is shown that those occupations which only want to use the juvenile while he is not qualified for a full wage and then throw him out on the scrap-heap like a squeezed lemon, can afford to pay him more during this short duration than a trade which by a long and perhaps expensive process prepares the juvenile for a skilled, progressive, and useful job. The fact that the "blind-alley" occupation of the errand-boy type is more immediately attractive for short-sighted parents and juveniles, for parents under the whip of poverty—particularly in times of insecure jobs, falling wages and unemployment—makes the supply of "unskilled" labour seem never ending, and any wave of unemployment and poverty creates the conditions on which unemployment thrives in future. It is a hopeless cycle: the father unemployed, and the boy or the girl cannot accept the scholarship, or cannot get technical education because the family "needs the money", so he or she enters a "blind-alley" job.

They enter a "blind-alley" job and their 10s. or later on 15s. a week make all the difference. But their ultimate fate is sealed. It is as someone once put it, "to stand behind father in the queue".

A further reason why this trouble does not correct itself if nothing is done about it, lies in the nature of private enterprise. For the community as a whole, an investment of time and money in giving normal and intelligent juveniles training and skill of the desired kinds is an investment that pays a hundred times over. It is indeed the only insurance against the dark future. But any individual employer does not know whether the time and cost he himself spends on apprenticeships, training schemes, instruction courses, etc., is going to benefit himself or whether it is not actually going to benefit his competitor. Here is an important reason why in a system of private enterprise the number of really skilled people will often be lower than the requirements, and this is an important factor in perpetuating unemployment. As everybody without blinkers is bound to notice, this also forms a strong case for either State-provided training or a much more highly developed system of State-organised technical education or of subsidies to employers for offering instruction and apprenticeships.

There is a further aggravating feature in the situation. While training and the right kind of skill in a progressive and expanding industry is an insurance against unemployment for the individual as well as for the community, skill in a contracting and declining industry is, of course, much less so and may be even worse for the individual concerned than no skill at all. As we have explained in the chapter on the Depressed Areas, the existence of declining industries on a large scale—as distinguished from isolated instances such as the decline of tin-mining in Cornwall—distinguishes our post-1918 world from the world before the 1914 War, which was a world of universal growth, taking all in all. The important thing to take into account in addition to the existence

of declining industries, is that these declining industries form the main or even the only industry over wide areas of distress. Cases of this kind are: cotton weaving and cotton spinning in Lancashire, ship-building in the north-east, coal-mining in Durham. When this is the case, where there is lack of industrial balance and where the main industry is declining, there is only a choice between three major evils facing the juvenile: either to become a juvenile transferee, setting up on his own and leaving his family at the early age of 14 or 15, or to enter a "blind-alley" occupation (which can be found everywhere), or to do what his father and grandfather did before him, to enter the main industry of his Area (where there may be a quite keen demand for juveniles as is for instance the case in coal-mining and cotton weaving) and become "surplus labour" in due course. It is a fact that some regions do not offer an alternative between progressing and contracting industries, which makes the problem of getting the right kind of training in the right kind of trade hopeless from the outset for at least a quarter of our juveniles.

The only measure to deal with this formidable problem which is worth mentioning has been the Education Act of 1936 whose provisions concerning leaving age were to come into force in 1939. All that most people know of this Act is that the school-leaving age has been raised by it to 15 years as a normal age standard. But it is not the lengthening of the school-leaving age part of the Act that we are concerned with here. In so far as the idea is, by raising the school-leaving age, to diminish the number of people competing for the available jobs, and in this way to diminish unemployment, we have already said in Chapter II what we have to say about this "fixed pool of jobs" attitude. But the Education Act introduces the new and right principle of discrimination between different trades as far as the employment of juveniles is concerned. It distinguishes between "beneficial employment" and other employment which is presumably "non-beneficial". The trades that offer

"beneficial" employment can have their juveniles at 14, the others cannot. On paper, that looks like a first step—although a very reluctant step—in the direction of drafting juveniles to where they get the right kind of training in the right kind of trade. But, of course, it will all depend on the interpretation of the word "beneficial" (which is largely left to local Juvenile Employment Committees). To the employer any employment will be "beneficial" because if he could better carry on without juvenile labour than with it, presumably he would not take it on. For the family any employment will be "beneficial" that "helps to make both ends meet". But as we have seen, these employments are, in fact, the least "beneficial". For the education of the juvenile, hardly any employment will be "beneficial", or at least it will be less "beneficial" than continued education. The best interpretation of the word "beneficial" is just this: "the right kind of training in the right kind of trade". Whether that attempt to tackle the barrier of "skill" is effective will entirely depend on whether this interpretation of "beneficial" prevails against the others. Unfortunately at the moment of writing this book, there is reason to be doubtful about this, and therefore to fear that even this measure amounts to no more than "blowing the trumpet" at the walls of Jericho.

CHAPTER IX

UNEMPLOYMENT AND UNEMPLOYMENTS

A VERY famous man once said that in the field of human thinking and of human action there is only one general conclusion, namely that there is no general conclusion. There is a deep truth in that. In the next chapter (which is the first of the second part on the "Unemployed"), it will be shown that there is no "unemployed man" but that there are only "unemployed men", that there is no uniformity but an immense variety. In the same way it is important to realise, as far as the economic side of unemployment is concerned (which is the subject of Part One), that there is no "Unemployment" which can be accounted for by a single cause, and which can be cured by a single policy, but that there are only "Unemployments", that is to say, many different kinds of unemployment with very different causes, with very different effects, and with very different cures.

We shall confine ourselves to a short glance at only sixteen different "Unemployments" which seem to be the more important ones at the moment. They can be very conveniently parcelled out in four classes with four "Unemployments" each.

The first class of Unemployment has the common feature that the main causation must be looked for in the conditions of production. The first "Unemployment" within that class can be described as an *interruption* of the normal process of production. The normal process of production consists of a flow of raw materials into the factories and the flow of goods out of the factory, and the goods going out of one factory are in their turn the raw material of another factory. Whenever there is an

interruption of this normal process because there is, for instance, a temporary scarcity of one raw material (for instance, in a year of bad cotton yields), or because the raw material supply is stopped because of shipping difficulties or war or an abnormal demand from other sources, or because of import restrictions, or by fire in the factory, or from any other reason, the resulting unemployment is not likely to be isolated but it will spread to those other factories which now in turn see their normal process interrupted. Unemployment of this kind is likely to be temporary in character, but some sorts of it may be prolonged for quite a long time.

The second "Unemployment" is due, not to an interruption of the normal process but to a normal seasonal slackness of that process. For instance, coal-miners will be laid off in summer when there is a seasonal slackness in the demand for household coal, builders will be laid off in winter and in wet periods, ice-cream men will be laid off in cold periods! Whenever there is a seasonal up and down in the demand of a trade the capacity of that trade will be adapted to the demand for the busy season and there will be unemployment in the slack season.

The third "Unemployment" in this class of "Unemployments" due to the conditions of production lies in the technical changes that have occurred in production and which result in the same output being done by a smaller number of men. This "technological unemployment", as it is often called by economists, plays a very important part at the moment. There are two main reasons for this. The first is that by the "cheap-money" policy which we have already mentioned, the introduction of new ways of producing things which require much capital has been encouraged. The second reason is that—as we have also mentioned before—important trades are now for the first time faced with a real decline. The industrialists in these trades try to get out of that awkward position of being in a shrinking trade by trying to depress their costs to the lowest possible figure, and so we find

that technical progress is often most rapidly applied in the contracting trades. A very good example of this is coal-mining, where the introduction of coal-cutting machinery and mechanical conveyor belts was speeded up in an attempt to arrest the decline in the industry. As a result of this, the output per shift has risen a good deal in recent years and much of the present unemployment among coal-miners is "technological" in character—that is, many of the present unemployed coal-miners would be employed if the same number of tons of coals were being produced with the methods of, say, ten years ago. We would like to draw attention to the careful wording of this last sentence, because much looser statements are often made in meetings or books on this "technological" unemployment. We can only say that the number of coal-miners unemployed is higher than it would be if the present production of the coal-mines were carried out with earlier, less mechanised methods. We can *not* say that *total* unemployment would be lower if this labour-saving machinery had not been introduced, because this process of mechanisation, even when it puts coal-miners out of work, creates at the same time employment in the engineering and related trades which may be more than the unemployment among the coal-miners. We cannot even say that the unemployment among coal-miners is higher owing to mechanisation than it would be had this mechanisation not occurred. For it may surely be that without this mechanisation and the resulting decrease in cost and prices, production would be very much lower than it is at present, and therefore, the employment offered in coal-mining itself might be lower than it is now. To put the same thing in other words, new machines tend to put people out of jobs in so far as they reduce the number of people required to produce the same amount of commodities as before. But on the other hand, in so far as they result in a fall of price, they tend to put people into jobs because more goods will be demanded at the lower price. There is no general rule whether the net effect will be to put more people out

of jobs or put them into jobs. But in spite of this need for caution, there is no doubt that much of the present unemployment belongs to this third type.

The fourth and last "Unemployment" in this class is the one due to an artificial restriction of production with the purpose of keeping prices up, and in this way increasing profits not by offering valuable goods but by creating artificial scarcities. This type of unemployment has greatly increased in recent years as producers have more and more found out that the creation of artificial scarcities is a safer and easier way to profits than thinking of new ways of offering valuable goods. There are very few industries nowadays free from such artificial restriction of production, and much of it has been directly or indirectly encouraged by the State; particularly the Tariff policy has been used as a shield behind which producers have settled down to living on artificially created scarcities. This is a not less despicable, although less often mentioned, attitude than that of "living on the dole". This fourth "Unemployment", and the fact that a policy of tariff protection for home industries has contributed to it, illustrates the importance of distinguishing the different Unemployments as far as the question of cures for Unemployment is concerned. For instance, the Tariff policy which was the third main Government cure for unemployment (apart from cheap money and the Depressed Areas legislation) has no doubt to some extent eliminated unemployment in those industries catering for the home market by shutting out foreign imports, but in so far as it has encouraged and facilitated artificial restriction of production by shutting out those foreign imports, it may have actually increased unemployment which it was intended to diminish. This example shows how the cures for the different "Unemployments" cut across each other, and how a cure that diminishes one unemployment may increase another.

The next bundle of four "Unemployments" consists of those unemployments that have their causes in conditions of demand (not of production). Among these

the first case is that of a change in the habits and tastes of consumers. When people cease to an increasing extent to wear hats, there will be unemployment among hatters in Stockport, not because their labour has become obsolete in the production of hats (as is the case with technological unemployment), but because hats have become obsolete. It is safe to say that this unemployment has also had a rising tendency in recent years because the habits and tastes of consumers are now changing at a faster rate and are less stable than they used to be before the 1914 War.

The second "Unemployment" in this batch is due to a change in the structure of the population. For instance, the most marked change in the structure of the population, as most people are aware by now, is the decline of the birth rate and the number of children. As a consequence, the demand for perambulators is decreasing and although that may to some extent be cancelled by the fact that people can afford to get a better perambulator when they have a small family, there is no doubt that unemployment does actually arise from these and similar changes. In this case the unemployment is not due to a change in tastes or habits. Children do not develop a sudden dislike for perambulators nor do their mothers abandon the habit of pushing them about in perambulators, but it is simply the size of the actual market that is shrinking because of these changes, as a decline in the birth rate will gradually transmit itself to the adult population and result in the shrinkage of some adult markets as well. This second "Unemployment"—which was the sixth altogether—will become increasingly important in the future.

The third of this batch is one of the most important individual "Unemployments". It is the persistent decline of total demand in nearly all markets that is noticeable in times of shrinking incomes. These shrinking incomes tend to be periodically produced by some adverse circumstance (often in the monetary field), cutting off a previous expansion of incomes, with the

result that the whole system is suddenly put into reverse gear and the shrinkage of income and demand tends to be general and progressive. This type of unemployment is known to economists as "cyclical" unemployment, and in times of severe depression, as in 1930 to 1933, it accounts for a considerable part of the total unemployment. As to a cure for this particular unemployment opinions differ sharply among economists no less than among other ordinary people. Some advocate lavish public expenditure on Work Schemes, others are for vigorous public economy. Some are in favour of the encouragement of spending and the discouragement of saving, and others think it ought to be the other way round.

The last and fourth "Unemployment" in this second batch is the unemployment arising from the changes of demand in the international field. This is a fall in demand which is neither due to a change in tastes, nor is it due to a shrinkage of the market, nor is it due to a state of trade depression, but it is due to a change in the source of supply. Instead of buying from England the goods are either home-produced or imported from other countries which have, for one reason or other, succeeded in driving British goods out of certain markets. Much of the present unemployment in the main British export industries is due to this eighth "Unemployment". The present unemployment in the Lancashire cotton trades is not due to the fact that the Indians have developed a dislike of cotton cloth, nor is it due to the fact that the number of Indians is decreasing, nor is it due to the fact that there is a particular state of trade depression in India, but it is due to the fact that the Indian market has been captured by the Japanese and by the Indian home industry.

The third class of "Unemployments" is the one accounted for by conditions of the supply of labour and on this class of unemployment we can be quite short because it is largely made up of our old friends (or rather fiends) which we have discussed in "barriers between the

people and the jobs". The four "Unemployments" in this class are: first of all, the misfit, that means the composition of the labour force as to trade and age disagrees with the composition of the jobs that are being offered. The second "Unemployment" arises from the lack of mobility of labour from one place to another. The third "Unemployment" of this group is industrial inefficiency of individual men, which makes it not worth while for an employer to employ them at the standard wage, and their employment at wages below the standard may be barred either by Trade Union fixation of wages or by the refusal of the individual worker to accept a wage below standard. There can be no doubt that a considerable part of the unemployment that was to be found in prosperous places, such as Birmingham or Cambridge in 1937, after more than four years of continuous expansion, was this sort of unemployment. And finally, within this group, just as we have found among the first group, unemployment due to an artificial restriction in production, that is, in the supply of goods, so we find now as in the group of "Unemployments" due to conditions in the supply of labour, unemployment due to an artificial restriction in the supply of labour and the artificial increase of its price. This happens where Trade Unions fix unreasonably high wages and have the power to maintain them and where they obstinately resist any attempt at an increase in the numbers of a certain group of workers—which may be very badly needed, and the necessary condition of a general expansion—as an attempt at "dilution". Whether it is at the moment an important type of unemployment is again a matter on which opinions are sharply divided. Trade Unions and employers nearly always disagree about what is a "reasonable" wage standard in a given trade, and when therefore, the Trade Union demands begin to be "unreasonable", employers are induced to restrict their activities. The peculiar feature of this unemployment—which is the twelfth altogether—is that it is going up when total unemployment is going down. This is because Trade

Unions will be more tempted to fix unreasonably high wages and they will also be in a better position to force these wages on the industry when general unemployment is low and there is a keen demand for labour; and the problem of "dilution" does not crop up at all unless there is a keen demand for labour in a certain trade and the unemployment in it is pretty low.

Finally, the fourth and last class of "Unemployments" is the one where unemployment is due to administrative reasons, that is, where the present unemployment is due to the system of unemployment administration itself. It is characteristic of this class of unemployment that it is often more "statistical" than real in nature, and in many countries this sort of unemployment would not appear at all in the unemployment statistics.

The first unemployment we find in this class is the one due to the fact that employment is not able to improve upon, or even to equal, the standard of living provided by the Social Service and Unemployment Relief system. This is a problem that is characteristic of the British Unemployment situation, where there is a clash between the employment system where payment is on an individual basis and the Social Service and Relief system which is on a family basis. This may lead, in the case of a large number of unskilled and casual workers with large families, and also in the case of semi-skilled and even skilled workers in industries with low wage standards, to a state of affairs where people will be unemployed because they cannot afford to take the jobs possible for them, unless they are prepared to lower themselves below even that standard which is recognised as the essential minimum by the Social Service and Relief system. On this type of unemployment we shall have more to say in the second part of the book.

The second type of unemployment in this class is that of purely "statistical" unemployment. A good example of this is the "dead file". It will surprise many that the unemployment total in every month contains actually a number of people who are no longer living! If an

unemployed man has failed, for some reason unknown to the Employment Exchange personnel, to put in an appearance but has also not asked for his Employment Book which is still lodged with the Exchange, he is, for two months after his last appearance at the Exchange, still carried on in the files and included in the unemployment statistics. In this class of "statistical" unemployment must also be included casual workers who just happen to be unemployed for the part of the day on which the monthly Unemployment Account is made (which is a Monday). Recently the procedure of counting the unemployed was changed in the direction of excluding this last-mentioned part of "statistical" Unemployment from the totals and the number by which the Unemployment total dropped on account of this apparently trifling revision, was surprisingly large, reaching more than 200,000.

Then there is the fact that registration at an Employment Exchange, which is the basis for counting a man as unemployed, is connected with definite advantages for a man, such as the rights to certain kinds of Public Assistance or to the maintenance of his rights under the National Health Insurance Scheme. So among those that register at an Exchange and are counted as unemployed, there will always be a certain number who do not do so with the primary object of looking for work but with the primary object of obtaining those other advantages.

The last "Unemployment" in this last class—and it is no less than the sixteenth "Unemployment" altogether—is the one due to the fact that the existence of an Unemployment Insurance system may induce an employer to have his men alternately working full time and thrown on the Insurance scheme rather than spread work and keep his men on although in part-time employment or in under-employment (as in the cotton trade). The employer may do this out of consideration for his men, because in this way their average income over the year may be higher than if they had been in part-

time employment. But if he kept them in part-time employment all the year round there would be no unemployment registered and therefore this particular unemployment is created by the existence of the Insurance Scheme itself. It is worth keeping in mind that there are some types of unemployment, such as the partial unemployment of part-time working or under-employment, that is not shown in any unemployment statistics at all, and the existence of an Insurance Scheme tends to some extent to divert unemployment from those invisible forms to the visible and statistically calculated form. In extreme cases of this last type of unemployment, there is a deliberate mis-use of the unemployment system to show people as unemployed and have them qualified for payments out of the Central Fund although on no reasonable definition can these men be considered as genuinely unemployed, and although in no other country would they for a moment be included in the unemployment figures. Such an extreme case is for instance that of the Cornish Share fishermen. It is not difficult to guess how in the case of Share fishermen pretended unemployment can be used as a deliberate means of increasing the income of the whole group.

This has been a long chapter and its very length shows how varied and manifold the different "Unemployments" are, how little they often have in common, how different and often contradictory the cures are, that seem to be indicated by each different "Unemployment", how misleading the unemployment total is, which lumps together things that are quite different, adding them up as though they were the same. We should really use the word "Unemployment" much more seldom than we are fond of doing and we should speak much more of the various "Unemployments", keeping the deep distinctions between the different types of unemployment always in mind.

PART TWO

THE UNEMPLOYED

So far in Part One we have been dealing with *Unemployment*, not with the Unemployed, we have considered Unemployment, facts, causes, and policy, but we have not had a closer look at the people which this term "unemployment" covers. We have described why the queues are there and what has been done to get people out of the queue, but we have not yet mixed with the people in the queue to have a look at them, to see what kind of people they are. In other words, now, in the second part, we shall describe the human facts and the human consequences of unemployment as distinguished from the economic facts and consequences, which we considered in Part One. This part is not a description of impersonal facts which can be checked and verified, but a result of personal contacts which the writer of this book had with unemployed people and it must be taken as no more than that. The contacts may have been incomplete or not close enough, memory may be short and impressions formed may be influenced by other things than those contacts. So due warning must be given not to take this part, about the "Unemployed", for more than it really is.

CHAPTER X

IS THERE AN UNEMPLOYED MAN?— LITERATURE AND REALITY

It is characteristic of people who talk or write about unemployment, but who have not had much actual contact with unemployed people, to imagine and to describe the unemployed as one vast uniform mass. This is very natural, because if people have to speak about things they do not really know, they usually resort to generalities. The picture of the unemployed and their ways of living which is given to the reader of such documents, which seem to form the majority of descriptions of unemployment, is likely to be grossly misleading. To make our meaning clear, we illustrate by an actual quotation from an economic pamphlet which has had a wide circulation and which maintains, otherwise, a very high standard of argument and policy.

About the unemployed this pamphlet declares:

They are a tragedy, written in the red of human suffering and despair. They are a spilling of life upon the ground. The millions of the unemployed are not cyphers, but men and women like ourselves. On many of them the doors of hope have closed. The days bring them no tasks; the future offers no prospect. Through no fault of their own, they must eat the bitter bread of idleness, and watch their children grow up under-nourished and stunted, ill-clad, ill-developed, foredoomed to feebleness and futility.

Now this, I believe, is literature, but not reality. In reality, we find next to the man who declares that, "Time is my worst enemy," the young unemployed man who explains he is "too busy" to see anybody this week because of his various activities, and they both form the

total reality, not one of them. Next to the man who says, "He would go down on his knees to anybody who would offer him a job", there is the man who says, "Isn't it marvellous to think of all those rich old men sweating their eyes out in their offices so that the likes of me can have a really good time." Next to the unemployed man's wife, who will tell you that they are all literally "starving", there is the wife who says, "You know at least what he will be bringing home and we can manage all right." Next to the man who tells you, "The mill was my life", there is the man who tells you, "The mine is not work, it is murder." Or the other man who says that in working life he has always felt "a square peg in a round hole". Next to the man who says, "I would never have dreamt of becoming a burden on my family at fifty-three under the Means Test", there is the man who says, "Oh! I am the lucky one, I have got my wife and kiddies to look after me."

Now all these flatly contradictory statements are not invented just for the sake of constructing contradictions, but they are all real statements made by unemployed people in exactly the same economic situation. This shows that a stereotyped picture of the unemployed, as a uniform grey mass of despair, is just as wrong as the picture (which one sometimes comes across with hard-boiled citizens) of the unemployed—as a uniform mass of scroungers who are doing pretty well on the dole.

Reality simply is not like that. In reality there are no stereotyped pictures, but there is diversity and an immense human variety. Pictures of the unemployed man as a uniform grey mass of despair such as that which we just now illustrated by a quotation, show only one extreme end of the scale. That is to say, this picture is not quite unreal because anybody who has had contact with unemployed people will remember families whom this description fits. But on the other hand, there are also many families whom this description does not fit at all, because they are so entirely different. Every stick has two ends and it is no use just getting hold of one end and

proclaiming that this end is all there is to that stick; not only has the stick two ends, the more important part of the stick consists not of the two ends but of what is between them, of the intermediate part. Exactly the same is true of the unemployed. Any uniform description tends to concentrate attention on the extremes, whereas in reality there is to any extreme the opposite extreme, and the majority of families have come to some sort of compromise between the two extreme attitudes.

There is something not only unreal but also particularly dangerous about such a standardised description of the unemployed as one uniform, brooding mass of despairing families in rags, going about and thinking of suicide all the time. Dangerous, because it leads to over-stressing the more obvious, the more dramatic, consequences of unemployment, and also because this habit of having such a mental picture of the unemployed may inflict on anybody who denies that picture and who maintains that reality is different, the reputation of having hardened his heart and deliberately minimised the effects of unemployment.

And yet this picture of the unemployed as a mass of despairing individuals must be denied, emphatically denied, and at the same time it must be said that denying this picture is not at all to minimise the consequences of unemployment. Because these obvious and dramatic consequences of unemployment—apart from not being always present—are not by any means the most important and the most dangerous ways in which Unemployment infiltrates a man's life, pulls him down, and determines his future status. The most dangerous consequences, those that it is most difficult to undo, are often very subtle and of a kind that is not at all covered by a description such as we have quoted just now. These really dangerous, subtle, consequences do not spring to the eye, they often dawn upon the observer only after a prolonged contact and deeper understanding of the situation in which the unemployed man finds himself. This is the reason why anybody who has not had an opportunity of

really prolonged contact tends to fix his mind on the obvious and dramatic consequences which are, nevertheless, not the really important ones.

This first point we want to make, that these stereotyped pictures of the unemployed, grey as they may seem, do not even get hold of the really dangerous consequences, seems so important that we want to drive it home by a concrete example. Take the statement about the children in unemployed homes which we find in that stereotyped picture which we selected as the object of our criticism. "Their children grow up under-nourished and stunted, ill-clad, ill-developed, foredoomed to feebleness and futility." Now the writer of this book does not doubt that the children in unemployed homes are "stunted" in educational facilities. But he, for one, would flatly deny that children in unemployed homes are more stunted in their educational facilities than children in the homes of the average low-paid, unskilled worker in employment. There is a description of a general social evil here, which causes the quality of educational facilities of children to vary according to the means of their parents, but not of a particular consequence or a relevant fact peculiar to unemployment.

This last sentence will, I hope, show beyond doubt that rejecting these stereotyped pictures, as we think it absolutely necessary for clearing the way for a realistic description of the unemployed, does not at all mean to shut ones eyes to the social evils existing. On the contrary, we are now, as it can be seen, generalising the problem, extending it beyond unemployment but not minimising it. In reality, it may quite possibly be true in a fair number of cases that the child from an unemployed home may be even less "stunted" in its education than a child of the average unskilled, low-paid working-man. There, I am partly thinking of the experience that some men who are made that way by nature, do find in an intensive and good family life, a consolation and even to some extent, a substitute for the loss of working-life and the different set of associations which a life in

work brings. In these cases, where a man's ultimate reaction to falling out of work and staying out of work is to develop his family life and retire into it, his children may very well benefit from this, educationally speaking. Partly I am thinking of cases one comes across where the Means Test as applied to those unemployed people who are no longer covered by Insurance Benefit has actually been a "blessing in disguise" as far as the educational prospects of the children are concerned. In the following chapters we shall have so many bitter things to say against the Means Test, as it is at present operated, that we should also in fairness not miss this opportunity to draw attention to a situation where it has proved a "blessing in disguise".

One reason why children from low-paid working-class homes are nearly always "stunted" in their educational facilities is, of course, that the parents reckon on the child to make the highest possible contribution to the family income pool at 14 and that this contribution is so badly needed that the parents feel they cannot do without it. We have already mentioned that this results very often in juveniles being pushed by their parents into "blind-alley jobs" because the initial earnings of the juvenile are nearly always better than in trades that offer really permanent and good prospects in the long run. Another result is that parents often push their children into employment when it would be much better for their permanent prospects that they should stay on at school and get a secondary education. Really promising and bright boys and girls have in this way been "stunted" by the attitude of their parents and the desperate economic need in their homes. Parents have even refused scholarships for continued education. In unemployed families, on the other hand, owing to the operation of the Means Test, the motive for rushing juveniles out of education into premature employment or rushing them into "blind-alley jobs" because of the better pay on which they start is very much weakened. The reason for this is, of course, that the Means Test deprives the family income pool of

much of the benefits of additional earnings by the juvenile family members, and for these reasons the unemployed father will often be more easily persuaded to let his son or daughter stay on at school, or let them acquire real skill in a trade, even though the initial earnings may be very low. So we see that in the superficial and obvious sense of the word, it is by no means certain that the "stunted" children are a fair description of the consequences of unemployment.

Does all this mean that we think that unemployment has no consequences on the children growing up in unemployed homes, working in the direction of "stunting" their future prospects in life? Not at all. Only the ways in which this comes about are much more hidden, much more roundabout, much more deep-seated in the total situation than it is usually imagined. The real danger for the children in unemployed homes is often the "take-what-you-can" or "take-something-for-nothing" atmosphere which is forced on many unemployed families, partly by the force of economic circumstances, partly by the natural psychological reaction of many unemployed people to get their own back on society, by which they feel unfairly treated. Listen to an unemployed man's wife speaking of her husband.

They were both members of the Methodist Church, but her husband was always complaining on that score because "Catholics can get work at the silk factory, Protestants cannot. We've only had one parcel from the church in seven years and my husband had to fight hard for that. In fact, he said that if he didn't get it, he'd leave the church. He's a man that fights hard for his family, and what he can't get by fair means he'll get by foul. He mends the boots, too; I don't know what he couldn't do if he put his mind to it." In that family there was no nervousness, no tension. They fought for what they could get, and let go what they felt was not worth keeping. Respectability had gone and instead of it there was a free-and-easy contentment."¹

Now to the children growing up in this atmosphere,

¹ This has been taken from the already-mentioned book *Men Without Work*. It will be found on page 192.

in which you have to fight hard and kick out, in order not to be kicked yourself in a hostile world, something irreparable has happened, something that it will be very difficult to make good. They are "stunted" in a quite fundamental way. I am not talking of morals now, that they are adopting a wrong and selfish code of ethics. But the children in this sort of family, unless specially favourable events intervene in their further life, will be driven by this school of "kicking out" into an aggressive or defiant attitude towards society in general, even to those who mean well by them. They will be barred from making those personal contacts, from entering those social relations, from forming those institutional associations, without which even in our age, nobody can ever "get on" economically, let alone be happy. Many people may think this is too far-fetched, but the desire to stress these subtle, underground effects of unemployment on people's lives has arisen not only out of the actual experience of the writer of this book. Other teachers and social workers who have come in touch with young people from unemployed homes, whose profession it is "to stand behind father in the queue", have formed the same opinion on the ways in which unemployment does its ominous work.

CHAPTER XI

UNEMPLOYED PEOPLE ARE MORE DIFFERENT

WE began the previous chapter by explaining that one of the most important features of human natures is their diversity, that they are all different from one another and that the unemployed are just as different from one another in their reactions to unemployment, and to the conditions which unemployment brings with it, as other people are in their reaction to other things. Now we shall even go beyond that statement. If anything, unemployed people are more diverse, more different from one another than other people are. This is indeed only what is to be expected. For what does unemployment mean? Unemployment means, first and foremost, the withdrawal of work. Now work enforces a common routine on all people who take part in it. They get up at the same hour, they have their meals at the same time and in the same way, they are doing the same sort of job all day long, they develop an interest in the same topics as the other people in the firm, such as the prospects of the trade, wages, working conditions and hours, the goings-on among the people working with them. Their very thoughts, ideas, behaviour, way of dressing, the words they use, are moulded into a common pattern, very often without them knowing it, by this common daily routine and the constantly repeated social intercourse with other people. All this common routine disappears when unemployment comes along.

When this happens, when the common routine of life disappears, the first and natural reaction for people would be that their suppressed individuality, their suppressed

differentness should reassert itself again. Look at the clerks in an office. Of course, one is tall and the other is short, the one is old, the other is young, but there is an underlying similarity about them. They seem to be dressed the same way; they seem to talk the same way; they eat together the same things; they seem to be exchangeable parts of a machine. But look at the same people when they are not working, in the evenings or on a Sunday, or during the holidays. Then they do just as they please. The one stays in bed until eleven o'clock; the other goes early to church; the third goes hiking. One puts on his good Sunday suit and the other a pair of flannels. One goes to a dance, the other goes to an Evening Course to learn something that will improve his prospects in his jobs. So when the common routine of work is withdrawn as it is in the case of the unemployed, the result is to make people even more different than they were before.

Now there I have said something very dangerous and something that it is very easy to misunderstand. I do not mean, of course, that unemployment is the same as a holiday from work, or that its effects on people are the same as that of a holiday. This "holiday feeling" is one which most people experience when they fall out of work for the first time. But it does not last very long. A few people can be met here and there who manage to keep this "holiday feeling" alive for a long time, maybe for years. The young man, for instance, whom I quoted before ("Isn't it marvellous to think of these rich old men sweating their eyes out in their offices so as the likes of me can have a jolly good time!"), has certainly preserved that "holiday feeling", but his case is very exceptional. Unemployment is very different from a holiday: it is even very different from a holiday without money.

All the same, there is this much in common between a holiday and unemployment, that something that moulded people into a likeness, into a common pattern, has been taken away. More scope is given to the

individual to arrange things according to his own liking, which will be different from his next-door neighbour's. Unemployed people *do* have, in some ways, more opportunities of arranging their time and their activities and their habits for themselves than the man in work has. Most unemployed people, I should say, do not consider this as an opportunity but as a burden. Most of us like to have things arranged for us, particularly the details of life. In the most perfect democracy, there cannot be an election every day on every detail of administration, and if there were such a system people would very soon prefer to live under the most odious dictator rather than in such a system. So this freedom from the common routine must not be thought of as a blessing, but as a curse.

Even though unwanted, the fact remains that unemployed people have this particular opportunity for differentness thrown upon them. The freedom of what to do with their time, the freedom of whom to associate with; and the result is, as it cannot fail to be, greater diversity. If people are different, unemployed people are even more different.

To this last statement, with which we reject the view that the unemployed can be described as a uniform mass of caps, grey faces, hands-in-pockets street-corner-men with empty stomachs and on the verge of suicide, and only sustained by the hope of winning in the Pools, as utterly false, there are serious objections of which we must be aware. But does not unemployment impose other and equally rigid common patterns on people? It does indeed. There is the common pattern of poverty. Poverty limits human diversity. Poverty restricts people to the first and basic necessities of life which are much more equal for different families than the "extras" in which people indulge according to their different tastes, from what is left over after the necessities are satisfied. Poverty restricts the freedom of unemployed people to choose between various ways of spending their time from the infinite range of the possible activities that one might

do to the limited range of those things that cost no money. In particular, poverty restricts unemployed people's freedom of association with other people, because if you come to think of it, most forms of association with other people cost money. Even if it is only talking to a friend. It is not only the cup of tea, you must also have a suit fit for him to see you in, you must also have the room fit to sit in. Even the invisible association with other people through the wireless costs you 10s. a year, not to speak of the price of a set. So the restriction of association to those ways that do not cost money may be a most rigid restriction and it may mean, in practice, being confined to meeting those people who are also in the position of having to think of ways of meeting other people without money. So poverty, which is one of the things that come with unemployment, is a formidable strait-jacket.

There are other common patterns too, which are substituted for work in the case of unemployed people. There is the routine of standing in the queue at the Employment Exchange. Just as the opinions of the man in work are to a large extent formed from what he hears from his workmates during work and on the way home, so the opinions of the unemployed man are to a large extent formed from what he hears from the people around him while he queues up at the "Labour" and afterwards while he is hanging around. In the case of the men on the U.A.B. there is the common routine of the visit by the "Means Test Man". There is the common routine of looking for a job. There are all these new common things and many more. In fact, it is only because there are these substituted common routines that unemployment imposes on people in the place of work, that anything true or worth knowing can be said at all about the Unemployed with general applicability. Therefore, these new common routines will be very much in the foreground of our interest in the following chapters.

But just for this reason we thought it most important

to insist that while these new factors imposing a common routine on the Unemployed are at work all the time to give the Unemployed a common outlook, a common behaviour, a common mentality, or at least to create a limited number of broad types among them, there remains the fundamental fact that the withdrawal of work itself works in the opposite direction. Poverty, and the queue, and all the other common things restrict diversity, but they do not destroy it. I repeat the statement. Unemployed people are *more* different.

CHAPTER XII

THE REFRIGERATOR THEORY

IN the two first chapters of this part we have been trying to stress some things worth knowing about the unemployed and to correct some popular errors about them. Now there is something common underlying these two chapters, and it is this common thing which we shall now bring into proper relief because it takes us a long step towards understanding the unemployed.

We said that people are not entirely defenceless in view of a calamity such as unemployment, they don't just go about hopeless, helpless, worrying themselves to death. They develop substitutes for what they have lost; they go on living, though on a lower plane. They develop substitute habits and a substitute mentality which is adjusted to their new conditions. Then we explained why unemployed people "are more different". Again, this can only happen when the withdrawal of work does not just create a vacuum, a state of suspense, but if other things creep in to take the place vacated by work and all that work meant and implied.

So this is the fact common to all the considerations that are contained in the previous two chapters, that unemployment is not just a state of waiting, not just a state where work has gone and nothing has come to replace it. People are not just kept as they were, as in a refrigerator: to be served up again fresh in the labour market when their labour is demanded again. It is not this negative thing, the emptiness, the absence of work, the suspense, that is the most important thing about the unemployed. It is the new development, the substitutes that take the place of what has been lost, the new habits

that are formed, the new outlook that is adopted, that we must think of. We should not think so much of the vacuum created, but of what is streaming in to take the place of that vacuum. For human nature not less than physical nature abhors a vacuum.

We must get the refrigerator view of unemployment out of our minds. This is the view that people can be chilled and kept fresh indefinitely by a process of artificial maintenance: just as beef is preserved in a refrigerator.

The very word "Unemployment" is really unfortunate from this point of view. It suggests that the state we are describing is simply the negative of "Employment", the "absence of employment" as the Oxford Dictionary defines it. It would be very desirable to have another separate word for it, to show that there is something more in it than just the "absence of employment". The French are in the fortunate position of having such a more adequate word for unemployment, which is a separate word of its own and not just "un-employment". They call it "chômage". We have, however, to go on using the negative word "unemployment" with its suggestion of the refrigerator view and all we can do is to rob the word, by this explicit warning, of any association with the refrigerator view that it may carry with it.

All this, so far, may sound a bit abstract, so let us quickly illustrate our meaning by a concrete example. This is again taken from the book *Men without Work*. In that book the case of a young man is described who spent his day in this way: he got up late in the morning to save his breakfast, then he went out to a near-by Billiard Hall to watch other people play, then he went back for whatever tea his landlady prepared, then he went to the Billiard Hall again to watch people play until it was time for his dinner: he went to have his dinner and after dinner he either went to a cinema or back to the Billiard Hall again.

Now this young man was not defenceless in the face of unemployment. He is not raving mad; the bread of

idleness does not seem too bitter to him; he may be quite flashily though cheaply clad; he is not starving (although probably under-nourished in the essential elements of food). He has developed a new pattern of life appropriate to his new circumstances. He has developed the habit of going to the Billiard Hall to watch other people play, as a cheap distraction, he has formed the habit of doing the same thing year in year out and of doing nothing outside this monotonous routine which might involve him in additional trouble and expenditure. He has also developed the mental habit (very appropriate to his circumstances) of not thinking and worrying about what is finally to become of him, and instead of expecting nothing so as not to be disappointed. That is what we mean by new substitute patterns of life. This young man was not just as he was when he left his last job. Unemployment had developed something new in him.

In the development of these new defences, built up against the loss of work, there is a blessing and curse at the same time. There is a blessing in them because they are like an anæsthetic in illness. They help people to conceal from themselves and from others the true nature of their condition, to preserve courage and sanity, to keep their self-respect. It is nature's way of dealing with cases like theirs. The more a man is unable to develop these new patterns of life once he is out of work, or the more he guards himself against doing it the more unhappy he will be.

But there is also a curse in building up these defences, for if these new habits that are appropriate to the state of unemployment, according to the needs of each different man, are such as cannot be reconciled with the state of employment, and if they become so deeply ingrained that they become part of his life, they may bar a man permanently from finding his way back to the world of work. This is why unemployment does not work as a satisfactory refrigerator in preserving people fresh for the next job, because what happens to them when work is

withdrawn is often of a nature that is more comparable to a process of rot than to a process of refrigeration.

We said that something was happening with people during unemployment. We also said that what was happening was at the same time a blessing and a curse for them. We can now describe more clearly what is meant by this. Think of the young man again and his Billiard Hall. It is quite possible that his new way of life was necessary to him to preserve his mental and physical equilibrium. But at the same time, the new habits that he is forming, just living in the day for the day, with no purpose, with no discipline, with no achievements, with no struggle, will handicap him permanently in his later life and in his later jobs. It will make it difficult or even impossible for him to submit to the discipline of work, to develop the initiative of snatching a job when it comes his way, to have the endurance to stick it when it is difficult at first, to feel the satisfaction of doing things well or of achieving better results than others. I do not say that this is necessarily so. If there are strong latent forces of discipline, initiative and endurance in him he may develop them again when the opportunity for them arises. But this will become more and more difficult for him as the other kind of life becomes deeply ingrained in his personality as time goes on. So while he is doing what is immediately good for him, he is, at the same time, staking and jeopardising his permanent well-being.

Here is a terrible alternative: either to purchase a temporary and precarious equilibrium by sacrificing the standards one is used to, with a knowledge deep inside that the maintenance of these old standards is really necessary if you ever want to get back: or to refuse to build up these new defences, clinging to the old standards and the old habits that are no longer appropriate, leading an unhappy and vulnerable life, and all this for what may only be an illusion that one day you will be back at work again: to have this terrible choice to make, this is the real tragedy of unemployment. For men in work there is no contradiction like this, the habits that they will naturally

form as appropriate to a workingman's life, will be such as to underline his initiative, his self-reliance, his pride, and they will do him, therefore, good both immediately and in the long run. But the unemployed man is helplessly impaled on the horns of a terrible dilemma.

CHAPTER XIII

THE INVISIBLE HAND IN UNEMPLOYMENT POLICY

WHY, now, have we spent some time on working out these two basic facts about unemployment, that unemployed people are, if anything, more different than other ordinary people and that the unemployed are not living in a refrigerator but that things happen to them? It is because with these two facts we have got everything together for a critical examination of the official policy that has been evolved in order to cope with the problem presented by the unemployed. Just as it was our task in the first part to subject the official policy of dealing with *unemployment* to a searching examination and as we found serious weaknesses in its very ground-work, so we shall do the same now with the policy for dealing with the *unemployed*, or as it is called, "the policy of maintenance".

The very word "maintenance" recalls to us the refrigerator theory. "Maintenance" has really two meanings. Literally it means "holding out a hand" to someone, and so far there can be no quarrel about the necessity of maintenance because what the unemployed need, and have a right to ask for, is the helping hand of the community held out to them. But nowadays we have gradually come to associate "maintenance" not with the idea of the outstretched generous hand but of keeping things or persons in the same state or condition in which they used to be. This is, of course, the very thing that unemployed people won't do, and no amount or manner of policy will be able to "maintain" them.

The realisation of this truth, speaking through the iron and irrepressible language of facts, has had a deep

influence on official policy and has modelled its course. The policy of sheer maintenance, of maintenance and nothing but maintenance, has been progressively abandoned in favour of another policy. The State agency that is now nearly exclusively responsible for coping with the Unemployed who have "missed the boat" back to the world of work, is the Unemployment Assistance Board, shortly called, the U.A.B. The abandonment of the refrigerator policy of "maintenance" and the nature of the new policy is nowhere more clearly expressed than in the guiding regulations of that organisation, where its purpose is defined as looking after the unemployed man's *welfare*. Mark this word. "Welfare", not "maintenance". This is, in principle, the official recognition of those positive influences that affect the unemployed during his state of unemployment, and that have a bearing on his well-being, on his welfare; influences apart from, and in addition to, the simple negative fact that work and the wage that work carries with it have been taken away from him, have disappeared, which is what raises the problem of "maintenance", of just making up for the lost wage so that he is maintained, to some extent at least, at the level at which he used to be. We find, therefore, that the truth that unemployment is no refrigerator has been recognised and properly taken into account by official policy by making itself responsible for the unemployed man's welfare, not only his maintenance. Whether the same truth which is recognised in principle is also kept in mind in practice is another matter which we shall consider later. But the principle is there all right.

But now, what about the other truth, that unemployed men are more different? This means that the welfare of one unemployed man will require quite a different policy or treatment from that required for the welfare of another unemployed man. Variety of treatment is required. How does official policy show up in this light?

Again we find that in principle this truth is understood and that it finds again expression in the guiding regula-

tions of the U.A.B. Of course, you cannot expect a nation-wide organisation like the U.A.B. to lay down a separate standard by law or regulation for each individual unemployed person. Variety of treatment spells, therefore, for the purposes of practical policy, the power of U.A.B. officials to discriminate between different types of unemployed men. This power to discriminate is called, in administrative language, discretionary power. The U.A.B. has discretionary powers. This distinguishes the U.A.B. from the Unemployment Insurance Scheme dealing with those people who may be temporarily unemployed between two jobs, or in the early stages of a more serious condition, but have at any rate not yet passed into the stage of final unemployment. There is no variety of treatment for different types there. How a man is treated is fully laid down for him and the officer of the Employment Exchange and for everybody else to go by, and there is no variation in this for anybody. With the U.A.B., however, we move in an entirely different world, in a world of discretion, of variety, of individual treatment. At the base of this whole system of unemployment policy by the U.A.B. there lies a special individual enquiry into the thousand special individual circumstances touching the special individual welfare of the special individual unemployed—individuality wherever you tread.

Again, it is true that official policy has developed on sound principles that are in accordance with the basic facts of the situation with which it is to deal, and that, therefore, the road is clear for an adequate and successful policy of welfare and variety.

But we have been talking of principles so far. Now, the world is not kept going by principles, but by practice, and the unemployed do not come up against principles but again against practice. It is high time, therefore, after patting the high horse of official principles on the back, to come down to earth and examine the way in which the unemployed are actually treated, and to see whether the practice is as good as the principles laid down.

The real test of the official treatment of the unemployed is obviously whether it helps them to develop those defences which are good for them, and whether it prevents them from building up those defences that will prove—in the long run, at least—bad for them. The main defence which people can build up against what would otherwise be a continual torture of unemployment, is that they “get used to it”, that they “settle down to it”.

As we have said before, this sort of defence work is a blessing and a curse at the same time, and we can now see more fully the meaning of this. This “settling down” to unemployment, getting resigned to it and considering it as an undesirable but inevitable state of affairs that is best put up with and not too much thought about—this sort of defence work is a blessing for any man who has got no prospect of work, who is, to all practical purposes, outside the labour market and for whom unemployment has become a permanent state. It is much better that these people should “settle down” to unemployment and save themselves the useless excitement of starting every day again on the hopeful search for new work, only to be bitterly disappointed and humiliated again, day after day, by failure. But “settling down” to unemployment is a curse for those people who have still got good prospects of work. For these people the best thing they can do is to be alert for any work that may turn up and to be after any prospective job for all they are worth. “Settling down” to unemployment would get them into a state of indifferent hopelessness, inactivity that would unfit them for a successful competition for the jobs that are going and that they might get if they had not got into that state. It is here, as everywhere, “the one man’s meat is the other man’s poison”.

Now, let us apply this to the present situation. The unemployed men in this country can be roughly classified in two groups. Firstly, there are the unemployed in those regions and in those industries where there are no new jobs going. This is the case of the men in the

Depressed Areas and in the declining industries such as coal-mining. Think of the case of a coal-miner of 55 in a remote village in South-West Durham where the only local pit has been closed, flooded, and dismantled. This man may get a job from time to time on the roads or earn a bit extra somewhere, but short of a miracle there is no hope for him of real re-employment. To all intents and purposes he is outside the labour market and permanently unemployed. Contrast with this the case of the young unemployed man in London who has been out of work for some time. He is not too bright, and not used to hard work. His main trouble is that he has no real skill because he entered a "blind alley" job from which he was pushed out at 18. This man is not outside the labour market. There are thousands of jobs going round him daily; and even though he is not too bright, even though he may not look impressive, even though he is only a general labourer, even though he is not used to hard work—with a little push, with a little initiative, with a little effort, and with a little luck, he ought, one day, to get one of these jobs. Though it will not command a high wage, with endurance and some luck he might be able to hold it and he might yet rise with his task and become a semi-skilled man in steady employment.

So we see that this line of division, the most important line of division that runs through the country, that between the areas and trades in which the hope of new jobs has become extinct, and those areas and industries where the jobs are going. This division presents a problem for the official treatment of the unemployed. Those that are on the wrong side of this line of division—the man in the Depressed Areas, the man in the declining industries, the man who is skilled in obsolete processes, the man who is considered too old for any new job—these people must be encouraged and induced to settle down, to come to rest. The others must be prevented from settling down. They should be shaken up, spurred on, given a push. From the point of view of their psychological requirements, the treatment of the first class of people

cannot be too generous. The aim of policy should be to reconcile them to their state of unemployment as much as possible. In the case of the second class of people, there is much to be said for keeping them dissatisfied, making them feel the inferiority of their present situation, not removing the sting.

Is this desirable discrimination being achieved by official policy? To investigate this let us consider the line of division between the men in the Depressed Areas and the men in the prosperous parts where jobs are going. This is the most important line of division dividing the unemployed into two classes.

In talks with persons trying to make a case out for official policy as being on the whole sound, the writer of this book heard it often claimed that this desirable discrimination was in fact being achieved and the array of arguments to support that claim is not unimpressive.

First of all, there is the fact that in each locality in the Depressed Areas where no jobs are going, there is a much heavier load on the U.A.B. register, than there is in prosperous places where the number of people who stay out of work for sufficient periods to put them on the U.A.B. register is very much smaller. Now, where there is a very small number of people on the U.A.B. register, it is natural that there is much closer personal supervision of any individual unemployed. The officer in charge will know his individual man, he will be able to judge whether all possible effort is being made to get back to work. He can check up on any individual man whether he is not "working black", and eking out a none too uncomfortable existence on the Dole and his extra earnings combined, he can keep the man under constant pressure by frequent interviews. There is no doubt that all this strict control, constant vigilance, etc., are very effective measures in keeping men moving, in preventing them from settling down to a state of permanent unemployment. It is no secret that in prosperous places it is not unusual to see a fair proportion of men, by a tightening up of the policy on the part of officers, being

frightened into taking jobs which they could have got before but for which they were not competing with the same zeal. In the Depressed Areas, on the other hand, the number is much too big for such a constant controlling, interviewing, checking of statements, etc. Therefore, it is natural that the men should be dealt with much more on a routine basis without too many of the things such as interviews and controls that make them feel the inferiority of the situation. There is no doubt that this difference in treatment, brought about in this way, works in the desirable direction and that official policy is powerfully emphasising a natural difference also working in that same desirable direction.

This natural difference is, of course, that the men who stay out of work for a long time in those places where the jobs are plentiful, are isolated individuals, whereas the long-term unemployed men in the Depressed Areas form vast groups and communities, and in some places that are economically dead they are actually *the* community. The long-term unemployed man in London will be a most hopelessly isolated individual. He will be something of an outcast. He is the only man in the street in that condition and therefore it will be very difficult for him to develop the habits appropriate to his state of unemployment against the generally different standards set by those in work. Unless he is very insensitive to these general standards, he will live under a constant reminder that his state of unemployment is abnormal, inferior, and looked upon with disapproval. This is one of the most effective means of preventing a man from settling down and becoming satisfied. In a place like Merthyr Tydfil, to give an example from the Depressed Areas, there is no such isolation about the unemployed man. The people round him, the whole street, the whole place, everybody, is in the same condition as himself. If he develops the habits appropriate to unemployment he will be in harmony with the general spirit. The spectacle of his fellow beings doing the same thing will encourage the individual to acquire and develop the habit of unemployment. The

sting of inferiority is taken out of unemployment. There is nothing for making one's lot tolerable like knowing that it is everybody's lot.

This is, it must be remembered, a very broad distinction and there are doubtless many individual exceptions on both sides, of men in a particular situation or in a particular state of mind. But there is no doubt that this distinction is of the utmost importance. It forms a natural background to that re-inforcing policy of discrimination. Isolation plus close individual control for the men in places where jobs are going to prevent them from settling down to unemployment; community life plus routine treatment for the men in the Depressed Areas to encourage them to settle down. The adherents of the view—with which we are now dealing—that things are working out all right as they ought to do, seem to be making out a weighty case. There are even further things they can mention.

Taking them all in all, the unemployed in the Depressed Areas are better industrial and human "material" than the unemployed elsewhere. To begin with, the unemployed in those areas where no jobs are going, are, in the great majority, skilled men. They may not all be classified as skilled men but in fact they nearly all are. Even the surface worker at a coal-mine is, in fact, something of a skilled man. By contrast, the unemployed in the prosperous areas are, in the overwhelming majority, unskilled men. As we have seen the lack of skill is, in fact, one of the explanations for their state of unemployment. Thus, the U.A.B. officials in the Depressed Areas have mainly to deal with skilled workers that are much higher up in the social scale than the people which their colleagues in prosperous areas are dealing with. The man the unemployment official has to deal with in the Depressed Areas may often be not only a man of highly developed skill and the highly developed mentality with which skill is so often connected, but also used to very high economic standards. A skilled collier may very well in the prosperous times of coal-mining have

brought home the equivalent of a wage of up to £8 a week, and when there were several earning members in the family the economic standard these families were used to may have been very much in excess of that of an ordinary lower middle-class family. Then the man the U.A.B. official has to deal with in the Depressed Areas will on the whole be fully up to the normal standards of his place and his group. When the disaster of total unemployment overtook the Depressed Areas it did not examine the circumstances of those whom it struck. Where the unemployed represent a considerable part or even the majority of the community, it is natural that the individual unemployed should be representative of the standard maintained in his community in nearly the same degree as his working fellow-citizen.

In the prosperous areas, on the other hand, there is often a definitely personal element about unemployment. If a man continues to stay out of work it is often because there is something wrong with him. It must not be something for which he is responsible, which he can help. A stutter, shyness, a lame leg are not a man's fault, but they are sources of a natural inferiority which may prevent him from getting back to work. Therefore, the U.A.B. officials in prosperous places will be often dealing with people who have in some way been marked out as inferior. So it can be seen that the officials that have to administer policy have to deal with quite different types of people in the Depressed Areas and the prosperous areas respectively.

There is no doubt that the type of people that the officials have to deal with will, to a large extent, determine their policy. The U.A.B. official in the prosperous areas who has to deal with unskilled workers used to low standards, often of an inferior type, will in the natural course of things, gradually come to adopt a harsher, more severe, less trustful, perhaps even less polite attitude than his colleague from the Depressed Areas who has so often to deal with people who will obviously command his full respect. So, here again, we see an influence at work that

would, even in the absence of any conscious policy to that effect, introduce a certain amount of desirable discrimination into the official treatment of the unemployed, helping to build up the defence work of settling down where it is wanted, and destroying it where it is unwanted.

These are the arguments produced for the belief that official policy is on the right track, not only in its principles but also in the actual implementation. As we have already said, they seem to form a good case. Is this case convincing?

In the nineteenth century it was the widespread fashion to believe that in economic and social life there was an "invisible hand" at work making things work out in a pretty good way, even in the absence of any special policy or other intervention to that end. The view which we have just been describing, that the desirable discrimination can be expected to come about as a natural course of events, is very reminiscent of this belief in the "invisible hand". In general, we have abandoned this belief nowadays as being too much in conflict with the observed facts. Is this special case an exception? Can we sleep, quietly trusting to the "invisible hand" in unemployment policy, trusting in isolation and strict control and harsh treatment shaking up the unemployed in prosperous areas and driving them into jobs that are there for them, while community life, safety in numbers, mutual help and lenient treatment guide the unemployed in the Depressed Areas to become resigned or even contented State pensioners. Would that it were so, but in the next chapter we shall have to tell "The Awful Truth".

CHAPTER XIV

THE AWFUL TRUTH

IF we come to examine this pleasant and inviting picture of the "invisible hand" cherished in many quarters, we find much truth in it *as a description of facts*. The persons used in arranging this pleasant pageant are living, real persons, not creatures of sheer imagination. There is not much doubt about that. This we shall first admit and amplify. Then we shall show that all the same this pleasant pageant could only be unfolded by hiding some other equally real and very nasty things from our view.

To begin with, it is true enough that there is a tremendous contrast between the prosperous and the Depressed Areas of this country, in the sense that in the Depressed Areas the long-term unemployed form a really important social group of their own, whereas in the prosperous areas they must, by necessity, because of their small numbers in a given area, have the nature of a few isolated individuals rather than an organised group. These facts are not sufficiently expressed by the official statistics on that subject, which tend to conceal rather than to reveal the true facts in that respect. The idea that has impressed itself upon the public mind through the official statistics about the contrast between the prosperous and the depressed parts, is one of say 5 per cent. as a sort of minimum level for unemployment in bigger areas in normal times, whereas if an area has eight times that relative amount of unemployment, that is, 40 per cent., it is already considered as one of the very depressed ones, and as one of the black spots on the unemployment map. This might lead us to think that the relation

between prosperity and depression is adequately expressed if we imagine two equally large communities and the one with eight times as many unemployed as the other. In fact this is a very inadequate idea. The official figures of unemployment are the result of indiscriminately summing up things which are, for our present social problem of unemployment, of very different importance and meaning. If we analysed the unemployment figures in our prosperous towns we would find that the great majority of their unemployed consist of people who would not consider themselves as belonging to the ranks of the unemployed at all. They are not people who are confronted by unemployment of such a duration and with such an impact on their lives that it is becoming their crucial problem to come to terms with it somehow and how to do it. The bulk of the register in these parts consists either of people who are temporarily stopped, or of the normal turnover of labour. This turnover, although it may be an undesirable and largely avoidable feature of the present system of getting work, must nevertheless be considered, so long as the present system exists, as a healthy sign of industrial life rather than an index of economic depression and social distress. In other words, in our prosperous community with 100,000 people, 25,000 workers, and say 1,200 unemployed, probably only about 100 would be people for whom unemployment is a real positive force, more than just a gap between two jobs. For the rest, it ends before it has time to begin its attack and enforce the erection of those defence works of which we spoke. But in our depressed community of 100,000 with say 10,000 unemployed, the great majority, say 7,000 or 8,000, will be in that condition of real unemployment which throws up the real social problems.

So we see it is a relation in the nature, not of 1-8 but of 1-80; 7,000 or 8,000 men with their families in a community of 100,000 are an important social factor which nobody will be able to ignore. Their habits and their needs will somehow impress themselves on the

institutions in those communities. With 7,000 men, there will be not only in the town as a whole but nearly in each street of the town, a chance for any man to find another unemployed man of the same age and of the same outlook to share his street-corner, or his walk, or his experiences on the U.A.B., or his views on politics, or his hobbies. But there will be nothing of that among the 100 unemployed in the prosperous town. There may be 20 men of later middle-age among them who would get on well with each other and who might form a social group of their own which would make life easier and happier for its members. But they will never know each other. They will live streets apart, they are not detectable within the life of the town because each of them, in his own district and in his own circle, is just a drop in the sea of the non-unemployed.

In fact, this isolation, a fearful isolation, is a dominant fact in the life of the unemployed in our prosperous community. The instinctive reaction to this on the part of the men themselves is to make a virtue out of necessity. Their isolation is not a matter of choice but is imposed on them simply by the facts of statistics, one might say. But it is easier to bear if you can persuade yourself that it is really you who does not deign to "mix". A man may be inwardly burning to "mix", but convinced of the futility of such a desire in his condition, he will tell you that he is a "respectable chap, not one of those loafers who cannot keep themselves to themselves". To avoid contact, to avoid the street, to avoid the light (sometimes literally), this may become the main preoccupation, even a mania, with the unemployed in our prosperous community.

So the fact of a fearful, desperate isolation for the unemployed in those prosperous areas in which jobs are going, is there all right, preventing them from "settling down", making them unhappy, and making them desperate to get out of their state of unemployment.

In the Depressed Areas by way of contrast, it is doubtless true that there is no problem of isolation there.

The problem there is not that the ties between his old community and the unemployed man become severed. As someone once expressed it, what happens there is that the whole community, *en bloc*, has stepped down, with the relations between its members remaining to a large extent unchanged and unimpaired. What happens there, is not that there is created an outcast class of isolated individuals. Rather, it is the institutions themselves which are threatened by danger of internal decay because of the loss of the younger people through transference, or because of the general poverty or lack of "drive" that go with widespread unemployment among their members. Even where unemployment is widespread, although it does not leave the man who is hit by it as a hopelessly isolated individual, it still breaks many cherished community ties. Even in the Depressed Areas unemployed people become cut off from those institutions where the tone is set by the nucleus of working men, such as trade unions, or from institutions which require an expenditure which is incompatible with unemployment. Church attendance will stop because of lack of a good suit, or a man will cease to take part in British Legion parades because it makes him feel hungry. But on the whole it is internal decay, not isolation, which is the real problem in those areas where jobs have ceased to exist.

Thus, the facts are there all right. So, isn't there, after all, a providential coincidence of the psychological situation of these different types of men and of their objective economic prospects? Where the jobs are going, the men are kept desperately anxious to get them by their isolation, and where the jobs are not going, people are prevented, by their community ties, from looking too frantically at midnight in a pitch-dark room for a black cat which isn't there—looking for a job in a really Depressed Area is about as promising as this. The main snag is that although the assumptions are true, namely that men in the prosperous areas are isolated, things do not work out in this way. The men in those

places where jobs are going *are* hopelessly isolated, their isolation *does* make them desperate and unhappy. It *does* make them want a hundred times more intensely to get out of that state, but it does *not* make them more successful in this. On the contrary it is isolation in their case that is one of the factors which actually unfits them, handicaps them, in the search for work. Here is the real snag of the optimistic argument of the "invisible hand". It is true that in those places where jobs are going, unemployed men feel, through isolation, the pinch of unemployment much more than elsewhere. But it does not follow that they are being pinched by isolation into going after the jobs that are available. We shall now show that this is a fatal snag in the whole argument, and that, in fact, these men are pinched, not into jobs but into continued unemployment, and that here, from the point of view of policy, is one of the reasons nowadays we find long-lasting unemployment even in the most prosperous centres and even among people who are, at least, not worse than many others in work.

Again and again, people who have to do social work among the unemployed of such towns as London, Bristol, or Birmingham, where the really unemployed are few and far between, are struck by the immense difficulties in the way of even getting to know the many people for whom they might do something useful, let alone succeed in getting them to join wholeheartedly in common activities of any kind. These people are, on the whole, definitely "unclubbable". Now they are not like that by nature. The Cockney's nature is, on the contrary, communicative, sociable, and well-disposed towards all the world. Why this difference? The solution is that we see here that very isolation at work on which some quarters pin their hopes for reminding the unemployed in prosperous areas that they are still on the labour market and should not settle down as State pensioners. Isolation breeds shyness, isolation breeds unsociable behaviour, isolation breeds fear of contact with the outside world, isolation breeds awkwardness of

manners, isolation breeds diffidence. But—and this is the crucial point—shyness, unsociable behaviour, fear of contacts, awkwardness, and diffidence are just those things that nowadays, more than ever, disqualify a man from getting a job. For it is all very well to say the jobs are going in this place. They are going in the place all right, but that does not mean that they are going to the man who withdraws into his shell and who is afraid to enter the street in the daytime. For where are the jobs going? The jobs are going where people mix. You get a job in the pub where you meet a foreman and talk to him, and he likes you, and when he hears you have not got a job at the moment he takes you on straight away and you stand him a glass of beer and the deal is fixed up. Or you get a job when you have got friends who tell you where the vacancies are and who put in a good word for you with the manager or the foreman. For any manager or foreman will prefer to take on a man who is recommended by someone he knows rather than take on a complete stranger. Or again, you get a job because you are sent down by the Exchange and you do well at the interview. But it is very unlikely that you will do well at the interview if you have not spoken to anyone apart from your wife and the clerk at the Employment Exchange and the grocer, for weeks and weeks on end. You get jobs by belonging to institutions, by being a member of a church, or of a trade union, or of a slate club, or of the British Legion, or whatnot. By dropping out of these organisations because you are ashamed of your unemployment and want to be left alone you definitely worsen at the same time your prospects of work. This is what isolation does to the unemployed in the prosperous areas. It may make them more desperate to get out of their state of unemployment and get back to work; but it is overlooked that at the same time as people are being made more anxious to get away from unemployment they are also being handicapped in their efforts to do so. Through their reaction to isolation they develop just those symptoms and qualities that are a

handicap in the race for employment. It is in this way that, even in the most prosperous areas, small circles of persons are being created who are rapidly losing contact with the working world humming so busily before their very noses, but still separated from it by those very symptoms of "not belonging anywhere" that are so largely created by isolation.

To mention only one of the ways in which this effect of isolation in making people unsociable and "bad mixers" expresses itself. There is a very striking difference in the behaviour of the unemployed after signing on at the "Labour". In the depressed communities of the north and in Wales, one will usually find that this occasion is a sort of social meeting, that people hang about the Exchange or the street near the Exchange for some time after, or they even go to the Exchange outside their own hours to meet the other people waiting there. It is there that information about prospective jobs are exchanged, or that politics, or the Pools, or the Means Test, or the last fire, or whatnot are discussed.

In the prosperous areas, on the other hand, one finds generally that most of the men will disperse afterwards and make off as quickly as possible to get back to their homes.

This difference is, of course, partly accounted for by the fact that in the south most of the men that are signing on are actually only "between two jobs" and would not consider themselves as really unemployed. But much of this difference shows the effects of isolation, that everybody tries to withdraw into his own shell. Mr. E. Wight Bakke, for instance, a very shrewd American, who came over to England during the last depression to study unemployment conditions, and who wrote a very remarkable book on conditions in Greenwich, as he observed them,¹ comments on the absence of "loafing", that is, of hanging about the streets in groups rather than staying isolated at home. And that happened even during the

¹ *The Unemployed Man*. A social study—published in London by Nisbet & Co., Ltd. There is a "popular edition".

Depression, so the explanation that most of the people in the queue are not really unemployed cannot be the only one. If Mr. Bakke had made his observations in Liverpool, or in Manchester, or in Cardiff, or in Newcastle, or in Sunderland, it is very likely that his impressions would have been entirely different.

If this were all, we would already have weighty reasons for doubting that the "invisible hand" that has arranged for isolation in the prosperous areas and for the preservation of the community ties in the Depressed Areas is the hand of a good Fairy Queen, arranging everything for the best and sending down Prince Charming to any unemployed soul either in the form of a job or of contentment, whichever his lot may be. But this is not all. There are further hideous features marring the pageant arranged by the "invisible hand", and by the time we have done with them, the actual arrangement will appear more like that of an evil demon than of a good Fairy Queen.

Let us consider the next argument for this view that by some providential arrangement things are working out so as to minimise the burden of unemployment. It is the very comforting belief that people will adapt their attitudes somehow to their real prospects. When the fox could not get at the grapes, he succeeded in persuading himself that they were frightfully sour and not worth getting anyway, and managed to live happy and contented without them. Similarly, it is argued that the unemployed in those places in which jobs are going all the time and where there seems to be a job within their reach, will preserve their keenness and their appetite for these jobs, whereas in places where they know that jobs are out of the question, they will begin to persuade themselves that jobs are not the only thing in life after all, and that there are other things worth having which you can get even if you are unemployed and cannot get a job. What about this argument, that human beings are after all reasonable and that they do not run their heads against walls, and that they will adjust their state

of mind and their expectations to the real economic possibilities in their surroundings? Would that it were so. It would save the unemployed themselves, and those concerned about unemployment policy, a good deal of headache. But again, there are weighty reasons for suspecting that things are not quite working out in this desirable way.

To begin with, even in so far as people do adjust their outlook in this way, they do not adjust themselves to their real economic prospects of getting a job, but to their own assessment of their real economic prospects. These two things may be very different, and the writer of this book has even come to the conviction that they are, generally speaking, completely different. You take the long-term unemployed man in the distressed community and a similarly long-term unemployed in a prosperous community. The second of the two ought to have much better chances of getting back to work, other things being equal. That is what it looks like "on paper". But what must be his own impression? The unemployed man's impression of his own prospects of getting a job is largely formed at the "Labour" in the queue before he is signing on at his local Employment Exchange or in front of it afterwards.

Now the man in a prosperous area who has been unemployed through bad luck or through illness or through physical frailness or through any other reason whatsoever, for a considerable length of time, will soon find out that he is in an exceptional position in comparison with the other men in the queue who are his direct competitors. He will see that nearly all of his competitors have had their last job not so very long ago. He also knows that to be out of work for a long time is in itself, quite unreasonably, a terrible handicap. Everything may be going well at the interview, he may seem the right man for the job, but then when the dreaded question comes: "How long have you been out of work?" he knows that all is lost. Because the manager or foreman may think: "This chap seems all right. I cannot understand

why he has been out of work so long. But if he has been out of work for so long, there must be something behind this, there must be something wrong with him, I cannot find out in a short interview, but I had better take no chances." And then he will tell the unemployed man that they will make a note of his address and send for him when they want him. But the unemployed man knows from experience what that means. So if he sees that the majority of the other men in the queue are not suffering from that same handicap, because their last job was only a short while ago, he also knows that though many jobs are going they will not be going for him. He will know that his own prospects for a job are low, and discouraged from his contacts in the queue, he will probably rate them even lower than they actually are. So much about the argument that because in the prosperous areas jobs are constantly dangling in front of people's noses this will keep them alert for them and preserve their keenness to get them.

By way of contrast, in the queues at the Exchanges in distressed communities our long-term unemployed will find that nearly all the other men are in the same boat as he is himself. They are all out of work for a long time, so for him to be out of work is not a special personal handicap at all. There may be few jobs going but he has as good a chance as anybody else to get one of these jobs. There is the additional consideration that the unemployed man in the Depressed Areas is normally a skilled man, whereas the majority of the long-term unemployed in prosperous areas are unskilled men. This re-enforces the feeling of inferiority of our friend in the prosperous town, because as he surveys the queue he knows that they are all his competitors. The skilled man may do an unskilled man's job, but the unskilled man cannot retaliate by doing a skilled man's job. So, the man in the prosperous community does not only suffer from a severe and incurable handicap in the search for jobs, he is also, as a rule, unable to make up for it in any way by special skill. The man in the distressed community

does not only know that his chances of getting a job are as good as anybody's in the queue, he also knows that they are not all his competitors, that there will still be certain types of jobs for which they will look to people like himself, with his own special skill and where those in the queue who have not got that skill do not count. As a result of this, we find that far from automatically working out in the desirable way, things are often upside down, that in the prosperous communities where the jobs are going, the people are settling down and resigned to a state of unemployment, whereas in the Depressed Areas people are kept under tension and alert, waiting for jobs that are not coming.

In this chapter we have mentioned only a few of the reasons producing this undesirable state of affairs. There are further and very important reasons which bring us up right to the core of some of the human problems connected with unemployment that have got to be solved by a policy of welfare. These further reasons are mainly connected with one difference between the unemployed in the prosperous and the depressed communities, which we have brought in almost casually towards the end of this chapter, namely the difference between skilled and unskilled men and their reaction to unemployment.

With this we shall deal in the next chapter.

CHAPTER XV

BYGONES ARE NOT BYGONES FOR THE UNEMPLOYED MAN

LET us begin with the most obvious difference between skilled men and unskilled men, that is, the difference in their wage standards. The average weekly wage of a really skilled worker in full employment would very seldom be under £3 10s. a week, it will normally be in the neighbourhood of £4 10s. a week, and it may, in a fair number of cases, go up to £6, £7, or £8 a week. On the other hand, a general labourer or unskilled man even in full employment will very seldom get more than £3 a week. His normal range would be more in the neighbourhood of 50s. a week. As the majority of the men in the Depressed Areas are skilled men, whereas the majority of those in the prosperous areas of the south and the south-east are unskilled men, it follows automatically that the average wage standards to which the unemployed men in the north and in Wales have been used, are considerably higher than those of the unemployed in the "prosperous South". Even the unskilled man or semi-skilled man in the Depressed Areas would as a rule be getting more than his equivalent now standing in the queue of a prosperous Employment Exchange Area, because the old-established industries in the north and in Wales are more strongly unionised than many of the new light industries that have sprung up in the south, and, therefore, wage rates used to be higher in the more depressed parts of the land.¹

But now, they are all in the same boat, they are all

¹ All this about the higher wages in the North does not apply to the textile industries in Lancashire.

unemployed. And one of the basic rules of maintenance or welfare is that an unemployed man should be given according to his present needs, irrespective of his efficiency in work and his industrial value. In industry you are paid for what you are doing; in unemployment you are paid for what you need for yourself and those dependent upon you. We will come across this difference again in a later chapter, when we shall have to consider the relation between wages and doles. Our present point is this: that on the whole, it can truly be said that when in work, the average unemployed in what are now the more depressed communities used to get more than the unemployed in the prosperous communities. Now they are all assessed on the same scale of needs. The obvious consequence of that is that for the men who are on the Unemployment Register in the Depressed Areas the drop in their economic status, the difference between what they used to get in the way of wages from what they are now getting in the way of dole is very much higher than the corresponding drop of the average man on the Register in the prosperous communities. Setting the standard of living to which they have grown used in their working life as a basis for comparison, it can be said that the unemployed in the Depressed Areas have suffered economically much more under unemployment than the unemployed in those places where there are better prospects of work.

To this, many people who stress the beneficial effects of the "invisible hand" will object. They will say that it may be the basic idea of the system of maintenance or welfare to give everybody according to his present needs. But in fact, so they say, the former economic standard and the status of a man will constantly enter into the assessment of his present needs and the U.A.B. officials will be constantly alert to make the necessary discrimination. The system of what is called "discretionary allowance" under the U.A.B. regulations lends itself, of course, very nicely to this sort of discrimination. For instance, if an unemployed man,

because of his unskilled status and his low earnings used to live in a small house in not very good condition—but not bad enough to be condemned as being “unfit for human habitation”—the U.A.B. would consider it as utterly unjustified if this man moves into a nice new house while he is unemployed, and would certainly refuse to make a corresponding allowance for the higher rent. They would certainly do everything in their power to prevent such “unreasonable” behaviour. On the other hand, if they have to deal with a skilled man used to high standards and used to a good home, they would certainly consider it as very justified to allow him, when he is under their rules, to maintain that home, and they will, without question, include the rent for it in the allowance they pay him, even though it may be higher than the ordinary standard rent on which the U.A.B. scales are based; and so with everything. The U.A.B. investigating officer who enters an unemployed man’s home, where it appears at the first glance that the home has known good times, and that its inhabitants are the sort of people that have grown used to, and need a good home, will instinctively form a quite different view of what is adequate to their maintenance and what is a reasonable demand on their part, from the impression he would form in a family with all the characteristics of the “submerged tenth”. There is no doubt that these factors of discrimination, according to the status and the previous standard of living of a man, working through the system of discretionary allowances (which affect over one-half of all men on the U.A.B. Register) are at work all the time, and that as a result the unemployment pay—at least as far as the U.A.B. is concerned—will be higher for skilled men than for unskilled men in otherwise similar circumstances.

But from the figures we mentioned at the beginning of this chapter about the difference between the ordinary wage rates of skilled and unskilled work, it is clear that this system of assessing present needs, with a view to former standards of living, cannot prevent the fact we

mentioned from being true, that unemployment is a much more violent change in status for the skilled man than for the unskilled man. The difference in their former wages will be a matter of at least £1 or 30s. a week, whereas it stands to reason that the system of discretionary allowances will, at the best, differentiate between them to the equivalent of 1s. to 1s. 6d. a week. Thus, the objection is useful in reminding us of the mitigating factors that are at work, but it is not of sufficient force to shake the ground on which we are arguing at present.

This ground is: it is just the extent of this drop of which we have spoken which will largely determine an unemployed man's attitude to unemployment and work, whether he compromises with his present state and tries to settle down somehow, or whether he will frantically refuse to accept and submit. It is not so much the absolute standard of living at which a man is maintained that matters, but the difference between the standard at which he is maintained and the standard he is used to. The skilled man may possibly be maintained (after having run out of insurance at least), at a slightly higher level than the unskilled man. But any influence which this fact may have is simply swept away by the fact that the extent of the drop, of the difference in the two standards, is considerably worse in the case of the skilled man. It is, therefore, the skilled men mainly in the Depressed Areas, whom one wants to settle down to unemployment somehow, as long as they cannot be got back, that are feeling the edge of their condition of unemployment most keenly, because it is these people that are, in fact, being penalised by the existing system of "welfare".

The truth of this argument is suggested by a bit of everyday psychology and fully confirmed by the facts. We all know that we have no "absolute" needs but only "relative" needs, that is, needs in relation to what we have been used to before. We feel quite happy in a dark old house. But once we get used to a nice, new, bright house, it would be frightfully hard for us to be turned out of it again and to have to return to squalor and darkness.

We do not mind having no cigarettes, as long as we have not acquired the taste for them, but once we get used to them we "cannot do without them". We do not need the Frenchman's daily wine because we are not used to it, and similarly, the Frenchman does not need bacon to which he is not used. But ask an Englishman to do without bacon or a Frenchman to do without wine! All the normal satisfactions and the normal enjoyment which we get in the daily routine of our life, become the standard from which we measure our well-being and which determines our needs.

In this country there is such an established tradition of equal treatment for the unemployed as the main principle of maintenance that it is generally accepted as a matter of course. It will, therefore, be surprising to many that the English Unemployment Insurance system is the only compulsory social insurance scheme in the world that fixes for everybody uniform contributions and uniform receipts in the case of unemployment, regardless of wages. In all other countries in a State scheme of this kind the principle is somehow recognised that equal treatment implies, not so much equal maintenance for everybody, but rather an equal drop for everyone from their previous standards. As we have seen, it is then claimed that as soon as a man has run out of insurance and comes under the wings of "welfare" rather than simple maintenance, this principle will be re-introduced again, by the backdoor to some extent. But generally speaking it can be seen that because the maintenance system is entirely unrelated to a man's previous standards, and the welfare system is only very faintly related to it, the drop from the previous level which determines to a large extent whether a man will come to terms with his state of unemployment will be heaviest where there is most reason to wish that it were least: namely, among the elderly skilled workers who have grown used to high standards during a long lifetime of skilled work, but whose labour will probably never be permanently required again, either because they are living in a community from

which all hope of an economic revival has gone, or because they have been attached to declining industries whose markets are disappearing, or because their kind of skill has been made obsolete by technical developments. It is not what Paradise is like, nor what Earth is like, but the difference between what Paradise is like and Earth is like which measures the severity of punishment for original sin. If the same is true of unemployment as we believe it is, then the punishment of unemployment is hardest where it is least deserved.

At this point it may be useful to sum up the three main reasons that support the introduction of some measure of discrimination between the unemployed, according to their previous wage standards, as is suggested by the argument of this chapter. The first reason is that it is incompatible with real equality of sacrifice to treat a body of men who come from very different wage standards in exactly the same way. This is mechanical equality, and this mechanical equality is, unfortunately, much too readily accepted as real equality by the general public in unemployment policy. In fact, real equality of sacrifice would imply something in the nature of a compromise between equal treatment as at present, and an equal reduction from the previous wage. The second reason is that under present conditions it seems much more defensible to allow the elderly skilled worker—mainly in the Depressed Areas—who has been out of work for some time, to come to terms with unemployment, than the unskilled labourer—mainly in the prosperous areas. An unskilled man, a general labourer, will always be in the labour market. If he is lucky or if the demand for labour in general rises high enough it will be his turn. But if a skilled worker stays out of work for a long time he will be, as a rule, outside the labour market for his particular sort of job.

So, if anything, the compromise should be generous on the side of the man who comes from a high standard.

The third reason why such an interference with the working of the “invisible hand” seems desirable, is a very

important one. It is this: one of the greatest stumbling blocks in giving more generous terms to the unemployed—even where it is generally agreed that more generous terms might and ought to be given—is the principle of “less eligibility”. On this principle we shall have more to say later on. Roughly speaking, it means that there should be a drop and preferably a noticeable drop from the standard of a man in employment to his standard in unemployment. That is, the principle that unemployment should make a man perceptibly worse off. Now, as we have seen, the drop is smaller in the case of the unskilled man. This is particularly true for unskilled men with children, because there the additional factor comes into play that maintenance is on a family basis, whereas wage is on an individual basis. With this additional factor we shall deal later on, but it is true of unskilled men in general as compared with skilled men in general that the principle of “less eligibility” comes into play in keeping down the amount of maintenance or welfare that will be given during unemployment.

It can easily be seen that as long as mechanical equality of treatment is made the main tenet of the whole system, and if at the same time the principle of “less eligibility” is also observed, it will be the *lowest wage standard* that sets the tune for unemployment pay. The level cannot be raised because for the unskilled groups this raising of the level would result in an economic standard which is not sufficiently different from their standard in work. But if it were possible to apply that raising of the level, not indiscriminately for the whole body of unemployed but for the skilled groups only, the same objection could not be made to the partial and very desirable improvement. There is very good sense in the principle of “less eligibility”. But if we come to think of it, the man with a high wage standard is not done justice under this principle. For it is not from his own wage standard that he is made to drop when he is unemployed. This would be perfectly understandable. But it is from the very

lowest wage standard among the unskilled workers, which does not apply in the least to himself, that his standard is made to drop.

It should also be pointed out that this curious way in which the unemployment system is setting up the lowest wage rates in the economic system as a standard, even for those men who have got nothing at all to do with the lowest wage level when they are in work, has another very awkward consequence for the unemployed. In a period of returning prosperity when wages begin to rise and the cost of living is rising with them, it is notorious that the lowest wage rates—on which the level of unemployment pay depends—tend to lag behind the general improvement. The reason for this is not very difficult to find. In fact, we have already touched upon it in the first part of this book when we mentioned skill as a protection against unemployment. Even with returning prosperity there will still be an abundant supply of unskilled general labourers, while there may already be a marked scarcity of skilled workers in many occupations. Therefore, the higher wage rates may be rising quite sharply while there is hardly any movement in the lowest wage rates. As a result it will be incompatible with the principle of "less eligibility" cum mechanical equality of treatment, which is practised nowadays, to increase unemployment pay, although the cost of living is rising. With returning prosperity and rising incomes, when the community would be more in a position to give those who are still unemployed more generous treatment, we find that the real standard of living of the unemployed will be falling instead. This is again the opposite of what seems sensible—yet another field in which the "invisible hand" fails to do satisfactory work. It would be like maintaining a poor relative and giving him more when your own income is falling and less when it is rising. In this way the unemployed are completely cut off from the economic life rhythm of the nation at large. They are the only class that does not stand to gain from general prosperity—in so far as they continue to be unemployed.

There is no escaping from this argument, not even by the objection which an attentive listener to it once put forward. This objection was, that if the low wage rates failed to rise, then here would be another class that fail to share in general prosperity and that would, therefore, be in the same boat as the unemployed. But the unskilled workers share at least in general prosperity through increased security of employment, longer hours with overtime pay, and an increased opportunity of rising to better-paid jobs. For the full-time unemployed, however, there is no such share in prosperity except perhaps, for some of them, improved chances of "working black". But this again, as everybody will agree, is not the most desirable form which the bonus in general prosperity could take.

CHAPTER XVI

THE UNEMPLOYED MAN DOES NOT LIVE ON BREAD ALONE EITHER

THE saying that "man does not live on bread alone" has become a mere commonplace, and an often mis-used one, too. Yet, all the same, it contains a very deep truth. The economic factor is a very important factor in determining the well-being or the welfare of people. All the same, it is only one factor among many. It would be a very great mistake to think that the only reason why unemployed people cannot become reconciled to the state of unemployment is because of the drop in their economic status and standards which unemployment carries invariably with it, and as we have seen in the case of the skilled man, in such a marked degree. It would be equally wrong to think that the only way of discriminating between different groups of unemployed people with different previous standards and different prospects of work would be to give the one group a higher income than the other one. To some extent, but to an insufficient extent, we have already taken into account the existence and importance of such non-economic factors when we talked about isolation and community life and the differences that exist in this field between unemployed men in the prosperous and depressed communities respectively.

In this chapter we shall deal with a highly important and similar fact of a social, non-economic nature, which will again bring us up against a fundamental difference between the unemployment of skilled and unskilled workers in such a way as to strongly re-inforce our doubts about the beneficial working of the "invisible hand".

We have already seen that the very word "unemployment" is misleading. It is so in yet another sense. Unemployment is the absence or the loss of employment. So far so good. But what does it really mean? Does it mean, as the use of the word seems to suggest, that the unemployed are those people that have lost some well-defined something called "employment", which means more or less the same thing to those who have suffered the loss? No. If we are led by the word "unemployment" to assume this and to argue on this basis we are hopelessly misled. In fact, unemployment means the loss of a something called "employment" which is of very different meaning and of very different importance for different kinds and groups of the people that suffer it. Some people lose the hateful routine distasteful to them and not worth the wage they were getting. Some lose just an easy solution of the problem how to pass one's time when one has not been trained how to do it. Some lose the opportunity of proving to themselves and proving to others that they are useful members of a working community. Others lose in work an opportunity of physical and mental activity which keeps them going. Some lose their best or their only opportunities of self-expression, of expressing their strength or their alertness or their dexterity, or their knowledge, or their skill, or even their artistic feelings. This list could be made very much longer, in fact a whole book could be filled with it. But it is perhaps sufficiently long to show that the loss of "employment" will cover many quite different cases and that it will, therefore, have very different consequences.

One thing that we think it safe to state is that the proportion of those people is very small for whom work was just a distasteful coercion or just the amount of money they were bringing home, or even just the only way of passing their time they could think of. This is probably a surprising and controversial statement. There are many people going about firmly believing that the great majority, at least of the manual workers covered

by the insurance scheme, would be much happier if they could somehow get rid of their jobs without losing their wage. We believe that this is a terrible fallacy, and because it is so important to eradicate this fallacy at its root if we want to get a proper understanding of the problem of the Unemployed, we shall now try to show, before stating our own opposite case, why this false belief is so widespread.

There are four main reasons. The first is that our views about other people's feelings are so much formed by what may be called the "articulate class" of the community. The "articulate class", now, are the people who express themselves in talk, literature, articles, and books, that is, they are mainly not the workers themselves but what may be described as the "intellectuals". Now most progressive intellectuals who think about these problems are very much shocked by what are, according to their own standards, monotonous and stupid working processes, degrading in their apparent senselessness and the low degree of creative intelligence required, the ugliness and monotony (always by their own standards) of working life, bad working conditions, and shockingly low wages. These feelings have been nowhere better expressed than in a very interesting and significant way by Aldous Huxley in his famous novel *Point Counterpoint*. In a long passage from which we can here only quote a few sentences, it is said (and we need have very little doubt that it is Aldous Huxley's own mind that is being spoken):

That's what you've got to say to people; that's the lesson you've got to teach the young. You've got to persuade everybody that all this grand industrial civilisation is just a bad smell and that the real significant life *can only be lived apart from it*. It'll be a very long time before decent living and industrial smell can be reconciled. Perhaps, indeed, they're irreconcilable. It remains to be seen. In the meantime, at any rate, we must shovel the garbage and bear the smell stoically, and in the intervals lead the real human life.

These words are a good example of the state of mind

of many "intellectuals" who have developed a feeling of the aimlessness and futility of much in our industrial civilisation. This feeling may or may not be justified; we are not concerned with discussing this problem now. But many people go on from having developed themselves this sense of futility to supposing that those people that are most directly implicated in that futile industrial process must have the same sensations about it as they themselves. Because they are convinced that people *ought* to feel that way about the jobs they are doing, they are beginning to deceive themselves into believing that they actually *do* feel that way. It is easy to see to what sorts of views of unemployment this fallacy must lead. To quote again Aldous Huxley's words. He wants to tell the people: "The genuine human life in your leisure hours is the real thing, the other's just a dirty job that has got to be done."

Well, the unemployed have got rid of their "dirty jobs". They have got 100 per cent. leisure, theirs is the golden opportunity for being "real men and women". What a golden opportunity unemployment is! Now, this is, of course, an extreme statement of what this attitude may lead to, and we do not mean to imply that it always or often does. But what we want to impress as a first explanation is that the "articulate class" of the community which has such an extraordinarily strong influence on the formation of public opinion will tend by their own outlook on life to impute to workers an unduly negative attitude to their jobs, and so finally lead to the belief that if you take out of unemployment the sting of economic loss, you can compensate most people for the loss of their jobs by filling in the gap that has been created and teach people other constructive activities.

The second reason why the impression is frequently created that work means to most people only the money they are getting for it, and the loss of work only the loss of wages and nothing else, lies with the workers themselves. Very frequently one hears workers, and particularly skilled workers with a "trade union outlook",

insisting that they are "worth" so-and-so much per week, or, it would be "below their dignity" to accept work at a low rate of wages. And then again one hears people insisting that it is not "worth their while" to work "for the extra ten bob" which work may bring in as compared with the dole. From all these statements, which are all familiar and might be continued indefinitely, one might superficially draw the conclusion that it is after all the money that matters for people and not the job and that, therefore, money is all there is in it. Nevertheless, this would be an entirely wrong conclusion. For we are not suggesting that money does not matter and that the wage which work brings with it is unimportant. But what we are suggesting is that in the insistence on "fair wages" there is more than just the insistence on money. If one tries to get behind this insistence on wages one will usually find that it stands for something more than money. The wage which a man brings home is to him a tangible proof and measuring-rod of his usefulness and his indispensability in the general process of work. This may sound very high-falutin, and very few men, of course, would say what they feel in these words. But a vague feeling that the wage they bring home is not just tea and bread and beer to them but that it gives them a social prestige both within their family and among their friends and even their community that they are considered "worth" so much, is present with nearly every worker. Most workers will connect with being paid a regular wage, a feeling that they are needed even though it may be only as a tiny cog in a vast machine, that someone is telling them: "We cannot do without you."

These things are, in our present society, so important for the self-respect of most people: to feel that they are in some ways useful and even indispensable, that they are not "left out of things"; it is only work that can give this important status to most people, and the wage which they are getting is not only just in satisfaction of their economic needs but also in satisfaction of this particularly important psychological need, not to be "left

out of things". Only people do not usually become conscious of this; they do not think in terms of their psychological needs or of "marks of respectability". What they think of is the tangible embodiment of all this, their wage. And if this is so, it follows that it may be true that the loss of work can chiefly be treated as a loss of wage, but even then there remains the problem that the loss of wage means much more to a man than just the loss of tea and bread and beer.

In the third place, the impression that a job does not mean very much to people except that they are economically better off when they are working will be created, in observers who do not try "to get behind" what they hear, by the statements of many unemployed people themselves. Many people live with a fixed idea that the typical reaction of an unemployed when you mention the word "job" to him, would be to cry out like good old Mr. Hardcastle in Walter Greenwood's play, *Love on the Dole*, "God, gimme a job!" Then they are very surprised and may be disappointed if they hear many unemployed people rather minimising the importance or desirability of a job for themselves, stressing the difficult working conditions, the low wages, the hot pace of work, their own unfitness or lack of acquaintance with modern methods, and so on. From that one might draw the rash conclusion again that the incentive to work is not very strong and that it may become seriously weakened in cases where the economic incentive to work is not very important. In fact, here we have an apparently negative attitude which must not be accepted at its face value but must be understood as an attitude which serves a very definite purpose for the individual concerned—or it will not be understood at all. Here we have one of those defence works which people put up to protect their soul from the consequences of unemployment. Work, in which the self-respect of a man has centred, has been lost. Is self-respect now to go? Are the Unemployed to go to pieces over this? There is one and only one protection against this: to divest work, *after its loss*, of this central

importance. If this can be done, if looking back on it one can persuade oneself that it was not as important as all that, there is a much better chance of withstanding the impact of unemployment. According to their mental make-up most people are bound to choose this line of least resistance. There is one very convincing proof of that. You may meet unemployed people in a given town and you may hear many of them one after the other taking up that sort of negative attitude to work. But now let this vague and unreal talk about "work" in general suddenly become concrete and real for them; let there be a definite chance of a definite job; let there be a new factory put up in their place, or a big council works scheme, or the local pit re-opening, and you can bet ten to one that the same men who did not seem so frightfully keen on "work" in general will go all out in their hunt for this particular job. They will avoid no hardship, no difficulty, no effort, in their attempts to snatch this job. What has happened? On our explanation, it is vital for people in self-defence to minimise the importance of jobs as long as they seem unobtainable or at any rate very remote. This is not more than the principle of the "sour grapes". But when people suddenly begin to believe in the real prospect of a job, if in their thoughts they picture themselves already as having got out of unemployment and back into work, there is no longer any need for this defensive attitude, it is dropped and the real central importance of having work—even with little economic betterment—is openly admitted by the individual in his behaviour in going all out for the job.

A further observation may be added here. There is no doubt that this apparently negative attitude to work is more frequently to be found with young men than with older men. This fact has been often commented upon, and the view has been put forward that although work may have had much more than purely economic significance in the past, this non-economic significance is now rapidly disappearing and that the new generation looks at work only as bringing in money. But again we

would disagree. The explanation which we have been putting forward seems to us amply sufficient to explain this difference too. The difference is this: the elderly unemployed, even though he may now be unemployed, looking back on his life will find that for the most part of his adult life he has been in work, he has been a cog in that invisible machine. Looking back on his whole life, he can still consider himself as a worker and not as unemployed; this is, in fact, the view which many elderly unemployed take, skipping as much as possible over their years of unemployment and forcing their minds back to their long years of work. Because these elderly men can, in this way, still identify themselves with the world of work there is much less reason and motive in their case to fall back on the device of minimising the importance of work. In the case of the young unemployed, on the other hand, who may have done no appreciable work since they were turned out at 18 or 21, there is an obvious and extremely strong psychological motive for minimising to themselves the importance of what they not only have not got at the moment, but what they have never had. Before much more convincing proof than has hitherto been supplied is available, the author of this book for one will refuse to believe that there is a change in the positive attitude to work in the direction in which it is sometimes alleged. (It is, of course, not incompatible with our views to admit that there may be among the younger unemployed, who have never had the experience and discipline of work, a probable higher percentage of real "shirkers" than among the elderly men.)

Now it is high time to gather up the threads of the arguments of this chapter and to link the results up with our present problem, which is to investigate whether the believers in the "invisible hand" are justified in assuming that people will "settle down" to unemployment or refuse to do so, in accordance with their real prospects and with a socially and economically desirable state of affairs.

The conclusions which we have reached in this chapter are these: that work means for people often more than

just a "living"; that for many people work is a thing which gives them their status in the community and dignity in their own eyes; and that for many work is the most satisfactory or the only means of self-expression. Now this will, of course, be the case in varying degrees for different kinds of work, and the most marked difference here is that between skilled and unskilled work. One cannot, of course, generalise on this subject without doing less than justice to reality. There are and there always will be a great many unskilled men who take a great interest in their work and find it a satisfactory means of self-expression. But on the whole it is safe to say that it is really skilled work which means to the man who performs it very much more than "bread". Of many skilled men it is no exaggeration to say that their whole life is centred upon their work, that all their views and actions are permeated by the kind and nature of their work. In addition, even where unskilled men take a similar interest in their work and derive as much satisfaction from it as skilled people usually do, there still remains the difference that at least unskilled work will not give that social status, that feeling of being an important and indispensable person. For the low wage rate of the unskilled worker will usually show him that the value of his work is not being judged very highly by the community at large, and also in his actual work he will be at the bottom of the ladder and conscious that he could easily be replaced. For all these reasons it is true to state that the degree of adjustment to a state of lasting unemployment will be different according to the nature of the work done. For the unskilled worker it will be much easier and much more frequent to "settle down" to unemployment than for the skilled man—and this quite independently of the purely monetary fact of the steeper drop of the skilled man in his standard of living. Again, from another angle we thus arrive at an important fact about unemployment which cuts clean across the pleasant delusion that the degree to which people "settle down" to unemployment will be different for different sorts of

people, according to what is best for themselves and for everybody concerned.

Where a skilled man is out of work for a long time—he will usually be in a Depressed Area and at middle-age or over—the very fact that he is out of employment shows that his economic prospects of new work are poor. For as we have seen in Part One, usually skill acts as a protection against unemployment. In cases where it does not, it can always be assumed that it is because that particular kind of skill has become obsolete with new technical developments or that the skilled worker is unfortunately attached to one of the declining industries with a permanent surplus of labour. Economically speaking, their case is nearly hopeless; their prospects of getting back to that kind of work for which they are classified are black indeed. But they are just the kind of persons who cannot accept their present status and become State pensioners because in their own mind they have lost everything that made life worth living when they lost their work.

On the other hand, there is the unskilled worker, often in the prosperous South where so much unskilled work is done. He will be often quite young and unskilled precisely for that reason, that is, because he should have had his training when the Great Depression had thrown its shadow over the country and neither apprenticeships nor other progressive jobs were available. At the moment of writing this book there are no less than 100,000 boys and men under 30 on the register, nearly all such unskilled men, nearly all the victims of "blind-alley" employment. Of these 100,000 about 58,000 had altogether less than six months' employment over the last three years. Economically speaking, their case need not be desperate at all. They might yet find, either by their own initiative or by the initiative of the community, an opportunity for training in the right kind of trade, in which case their prospects of steady employment would, in fact, be excellent. Or, even in so far as this belated training is not given, they might with some preference from the Employment Exchanges and some physical re-fitting be

easily re-absorbed again into the general pool from which industry draws its still huge supply of unskilled work, "general labour", and in that case they might still be assured, if not of steady employment, at least of a reasonable amount of employment, and delivered from their chronic state of unemployment. But these people, whose prospect of getting out depends still to some extent on their own initiative, are just the sort of people who would find it much easier to "settle down" to unemployment, because their work did not perhaps, in many cases, mean very much more than bread for them. Bread, however, they are given now too, although it is slightly less bread. By "settling down" to unemployment the initiative to get out—which in their case might still be of some avail—is terribly weakened, and there is not much doubt that this weakening is one of the reasons why they stay out of work.

So we see again how in another important field the present system of dealing with the unemployed leads to results that are far from desirable. Nor has a satisfactory policy been evolved of counteracting undesirable "settling down" to unemployment and promoting it in the right cases. In times of scarcity of labour or of a threatening scarcity of labour as in these times of heavy re-armament—necessary as it is—public attention is, of course, much more directed towards preventing undesirable "settling down" on the dole, particularly of young people, when all hands are needed. It has become clear that the young unskilled men who have accepted unemployment in varying degrees will be the central objective of new steps in unemployment policy in the near future. We shall, therefore, consider this problem in our next chapter. The other problem of making unemployment more acceptable to other groups of unemployed is, however, still one of the most urgent ones, although it will tend to become submerged in times like these when all effort must be directed towards expanding output rather than making life agreeable. This latter problem is, therefore, at the moment more in the background.

CHAPTER XVII

THE YOUNG UNEMPLOYED AND THE THORNY PROBLEM OF COMPULSION

It must not be believed because of what we said at the end of the last chapter that the problem of the unemployed man has been artificially in a more or less transitory way brought into the foreground by our temporary economic problems of re-armament. This is far from being the case. In fact, there are much more lasting and permanent economic grounds on which the problem of the young unemployed will always take precedence of that of the older man. It is easy to explain the economic grounds in a few plain words. If it is true that, as we have shown, unemployment is not a refrigerator but that it may create conditions in which a return to work is impossible and unemployment will have become chronic, we must always look at any man who is out of work for a considerable length of time as at least a potential case of chronic unemployment. Now, the economically important idea of chronic unemployment is, of course, continuous unemployment right up to the age where he would have ceased to be a member of the working community anyway. This age, at which a man ceases to be a member of the working community and therefore of the "labour market", is now fixed in law at 65, but by the actual practice of industry at a much earlier age. But let us fix our attention on 65 as the "retiring age". It means that an unemployed man of 25 has still forty years of useful working life "in him", whereas the unemployed man of 60 has only five such years in front of him. Bearing in mind, therefore, that long-drawn-out unemployment tends to have permanently injurious effects and

that there is an appreciable danger of its leading to chronic unemployment, it would not be inappropriate to rate the long-term unemployment of the young man of 25 as eight times as important as the old man's unemployment, or as equivalent to the unemployment of eight old men. So if we fix one year's continuous unemployment as indicating a great danger of chronic unemployment for the men concerned, we might very well say that the problem of the young unemployed is the most important of them all. At the moment of writing this book there are about 25,000 young men of between 18 and 24 years continuously unemployed for a year or more as against 80,000 men between 55 and 64. While these figures show that the danger of chronic unemployment has a stronger incidence upon the aged worker than upon the young lads, at the same time it will be clear from what we have said just now that as a social problem the unemployment of the 25,000 young lads will be infinitely more serious than that of the 80,000 elderly men—that is as soon as we stop thinking only of the present day and try to take into account the effect of present prolonged unemployment on the lives of the people concerned. These facts must be stated, even though it may sound a bit hard on the elderly men.

For this general economic reason, the problem of the young men has really been the most important all the time, and it was clear for a long time to most competent observers of unemployment policy that it was unduly neglected for other much less important problems. Now, as we have explained, it has come to the foreground with a rush, but for quite different reasons: because there is need for a rapid expansion of output and the necessity of drawing upon an idle reservoir of young and still adjustable people has become obvious, and with the fact that the large extent to which they have "settled down" to unemployment will be an obstacle in the process. A sudden general outcry after a long neglect is not the best ground for a policy that will bear good fruits in the long run, and it will, therefore, be of better service

to be sober and critical in the examination of the now general demand for a measure of compulsion, at least as a last resort, rather than take up an uncritically joyful attitude of the prospect of seeing "something at last getting done", and the prospect, incidentally, of the policy of trust in the "invisible hand" being drastically abandoned.

In describing the problem of the young unemployed, it has now become fashionable to focus attention on what is nearly always declared to be really only a minority of the young men, that is, those that have "settled down" to live on the dole and are content to continue in this state. This in itself is suspicious. If this is only a minority why do we hear so much about this minority and nothing about the majority of young men who are as keen as anybody else to get out of their state? The answer is very simple. There is no such majority. The plain truth is that the prospects for young men are, on the whole, still much better than the prospects for middle aged and elderly men. Those young unemployed men that stay on the register for a long time on end are a definite negative selection with the character of a "residuum". This may sound like a slander on the young men in that condition, but as we shall explain in a minute, it is not meant to be one.

To show this, let us return to the general reservation of all those who are afraid of this hornet's nest—that is, the reservation that the "problem of the young men" is really only the problem of a minority of the young men. Put in this usual form it is obviously just evading the issue. For if this is the minority problem, in God's name let us have the majority problem first. What they often mean is this: that the "problem of the young men" is nowadays much too often identified with the problem of the "work shy". Here, it is definitely in order to say that only a minority—and a small minority at that—of the young unemployed men are "work shy". But this is only another way of saying that the problem of the work-shy is not the real problem at issue at all and that the policy of dealing with the young men in general

ought not under any circumstances to be determined by the existence of this small "work-shy" minority.

On the other hand, the problem of too much "settling down" on the dole is a majority problem, it is the real problem of the young unemployed man. It is the attitude that the job should come to the man and not the man go after the job. It is the attitude "if they cannot get me exactly the kind of job I want, exactly where I want it, they are jolly well going to maintain me". It is the case of the young men who have grown to consider their dole as a sort of "conscience money" paid by society to them in silent recognition of the fact that the right thing has not been done by them and which has got to be paid until their full rights have been restituted by offering them, without any further exertion on their part, the ready-made job, according to their own specifications. It is the attitude that it is not the recipient of the dole who is under a moral obligation but that it is society which is under a moral obligation towards the unemployed. It is from this attitude that there springs this refusal to accept anything short of the ready-made job presented here and there, which has become known as the "problem of the young man". This is a common feature of all these sub-problems, such as the refusal to move, the refusal to accept training, the refusal to keep himself fit, the refusal to appear in the humble cloth befitting the unemployed, the defiant attitude of the claimant rather than the submissive attitude of the petitioner.

We have put this attitude of the young man in somewhat more extreme forms than it appears even to the critical observer, and we have done this with a very definite purpose. Let any reader of this book ask himself whether he feels indignant at the thought of young unemployed men considering themselves as creditors of society rather than its debtors, and taking up a corresponding attitude. It may be that many readers did *not* experience any feeling of indignation at the thought. Quite right, they may have thought. Is not society, which has failed to give these young people a place in

life, under a debt to them which can never be repaid and which gives them a full right to make their own terms which they ought perhaps be persuaded to adjust, but which they cannot, with any moral justification, be coerced to abandon? On the other hand, it may be that many readers, and perhaps the majority of them, did consider this picture with some indignation. To them the spectacle of people living on other people's work and not minding it—and particularly of vigorous young people doing that—is something deeply revolting. They will argue that although they had initially a sound case against society and were unemployed through no fault of their own, society is now redeeming this amply by offering them the facilities, however belated, to equip themselves afresh mentally and physically to overcome their handicap, and that by refusing this offer of redemption these unemployed "without fault" have now become people who remain unemployed through their own fault and have no stronger claim on public policy than the work-shy. But is this second group of people that will be carried away, by their understandable feelings of revulsion, right to approve a policy of compulsion and coercion! "If people don't do what is good for them they must be made to do it."

But it is wise before we grow indignant, to *understand*. The history of human progress has been largely marked by a change-over from an emotional approach towards an understanding approach to social problems. The best example of this is crime, particularly juvenile crime. However repellent many forms of crime may be, and however justifiable an attitude of over-riding indignation, the policy based on this emotion would have the most disastrous consequences. Any policy, in fact, would be condemned to failure that is not based on previous understanding which can, in turn, only be achieved by a certain suppression of the emotional reaction. In this direction of a policy based on understanding, great strides have been made in recent years in nearly every field, with visible success.

Now the young unemployed can certainly claim what we grant the criminal. We have to understand his attitude before we determine rashly on an emotional policy. Why do so many of the young unemployed—the fact is undisputed—give the appearance of having “settled down” much too easily on the dole? Why do they so often take up the self-asserting defiant attitude which is so galling to the taxpayer who feels that they are parasites sucking his own blood?

The first fact to stress if you want to understand the present attitude is that they have been brought up so as to acquire a sense of their own importance. They are the product of improved standards of education, and the result of improved education is to make people expect very much from life, to get a sense of the fullness, of the various satisfactions that life can hold out. Most young men have a dim feeling of the inconsistency between going through a long process to make them conscious of how much excitement there can be in life, and then finding themselves suddenly stranded with a life robbed of what would normally be the main excitement, namely, work. This word “excitement” is a key-word which we shall have to bear in mind if we want to understand the case of the young unemployed, and we shall go back to it soon. At the moment we want to drive home the point that improved education means a raising of what you expect from life, and after that to see your expectations dashed so completely is something which by a natural reaction makes many of these young men critical of the real values of the alleged benefits that have been conferred upon them in the educational process, and also it makes them sceptical of the standards that they have been taught in that process. In this way, these young men have been driven into opposition to the very principles on which our industrial society is based. One of these attitudes is that “only mugs work”. Together with other standards this one has gone overboard in the general disillusionment of young people who—inarticulate though they may seem—show at least still the traces

of the educational process in that they have learnt to apply their critical faculties and not to accept their misfortune as an act of God but to look round for a more natural explanation and to look out for "who is to blame for all this". And once a man is looking round for "who is to blame for all this" it is more than natural that he should lay the blame on the outside world, "on society" rather than on himself. Our first result is, therefore, that in this defiant attitude we see really the development of something undoubtedly good, and at any rate something which it is the aim of the educational process to give, namely, the application of critical faculties. Only these young men are now applying these means to arrive at conclusions that those who taught them to use their reason thoroughly disapprove of.

The second fact to which we want to draw attention is that as it has often been stated, a very high proportion of these young men who now seem to have "settled down" are the products of "blind-alley" jobs. That is, they were doing something which brought in immediately higher returns but which led them nowhere, and they found themselves on the streets at 18 or even at 21, without any prospects and much too old for the ordinary kind of apprenticeship training for progressive jobs. Now while this fact is often mentioned and stressed, its psychological consequences are wholly overlooked. What does all this mean, being the "product of a blind-alley job", looked at from the point of view of the young unemployed man himself? In the first place, it means that it gave them, at a very early age, the feeling of being an adult, a wage-earner. While the young apprentice of 14, 15, or 16 years will still always have the feeling that he is a learner, a beginner, and while he is constantly reminded of that fact by being taught things which he does not know yet, this feeling of being a learner or a beginner will be wholly absent from the young boy of 14, 15, or 16 who knows he has nothing to learn in his very unskilled job—simply because there is nothing to learn. So there is this fact of a premature

release from training, the premature feeling of being a finished person, of knowing one's job, which gave these young men an exaggerated and premature feeling of their own importance and of what is due to them. Later on, of course, when they find themselves in the street it becomes clear that this feeling of knowing their job has been only an illusion, that they know a job which is not worth knowing. This is the great illusion of the young unemployed men as produced by the "blind-alley" jobs from which they come. But it would be very bad psychology indeed to assume that when disillusionment comes, when they are taught by unemployment that their own ideas of their own importance and their own station in society were false, that this will lead them to revise these ideas of their own importance accordingly. In this clash between their own ideas of their own importance and society's valuation of their importance 99 per cent. of all people would choose "by a natural law of the human mind", the line of least resistance, which is to seek the blame, not in their own idea, but in society, as these young men are now in fact showing by their present behaviour.

The third fact to stress is also connected with "blind-alley" jobs. It is, of course, the fact of their bringing home comparatively quite good wages at a very early age. Then they were important contributors to the family income and knew it. Then they were important persons who had a right to their own terms and their own claims. Again, one must not generalise unduly. There are, of course, many families—in some areas more than in others—where there is a very strict family tradition in that respect, where even the young man of 18 or 19 has to give up all his wages and gets back his pocket money, and that is all there is to it. But if you look into the past history of those unemployed young men that present at the moment such thorny problems, we shall usually find that they come from the other type of families, where the fact of their important contribution to the family income made their voices important, at an

early age, in the family councils, and where their social status was much too early enhanced by the mantle of the "bread-winner" on their shoulders. A particularly aggravating factor lies in that the young men under 25 belong now to the depleted war and post-war years, with the result that unemployment at that juvenile stage of from 14 to 18 was comparatively very rare among them, and in times when their fathers and the other bread-winners were out of work when the family income fell, their own contribution and their own importance were accordingly still further enhanced. This would be particularly important for those young men that held their juvenile "blind-alley" jobs during the Great Depression, that is, those that are now between 21 and 26 years of age. Here again, we see how everything happened to them so as to give them their high ideas of their own importance and of their own "rights". Then they were important people, then things were done to please them, then they were patted on the back and called "good boys" for doing what led them to where they are now—in the street.

All this suddenly stopped when they fell out of work. Then they were relegated to a state of dependence again. Then they were suddenly a burden on their families again—particularly under the Means Test regulations when their right to insurance had run out. Such a degradation no human being will tolerate, and he will react to any attempt at such degradation from an early enhanced state of importance back to undignified dependence by a violent re-assertion of his own importance and an even further raising of his claims. The truth of this observation no psychologist will deny, and yet we find it neglected in all proposals to deal with our problem. And what is the easiest way out that is at present offered to the young unemployed man to prevent that degradation? It is by playing a trick on society! It is by leaving—often genuinely, often only ostensibly—their homes. By "setting up on their own" in digs they force at least society to recognise their "rights" again,

if not as a bread-winner, at least as an independent dole drawer. Or even better, he may "set up on his own" by an early marriage; by doing so he not only avoids the social degradation from a juvenile bread-winner to a dependent, he even enhances further—at least he persuades himself that he does—his own importance by becoming the head of a family and also by drawing a dole for himself and his dependants which, whatever it is, is bound to be higher than his juvenile earnings. So, these two facts stand out from the discussion in this last section; the young unemployed men of to-day are mostly driven into an attitude of self-assertion and opposition to the standards ruling in the community, by first of all having been made conscious of their importance at an early age and then being the object of attempts to degrade them. And that is the lesson they are being taught, and which many of them have learnt only too thoroughly, that you can beat society at this game by insisting on your "rights" to "independence" and by building up a "sham independence" on the dole. From this, which is the past history of most of the young unemployed, there leads a straight line to the young man who refuses to be trained. They feel that the proposal to train is just a continuation of the attempts by society at their social degradation, that it is a deliberate neglect of their importance as heads of families to imply that they could go off to a training centre for six months just like going back to school. This is, to them, just another attempt to put them back on "pocket money", in short, it is an attempt to cheat them out of the "independence" which they have gained by "setting up on their own". And so the young man before the panel will say "I don't want any more training. I am all right. All I need is a job."

Thus we see that there are various circumstances which combine to make many of the young unemployed men take up that self-assertive and rigid attitude which makes many people begin to talk of compulsion, compulsory training, compulsory transference, compulsory work, as the best way of dealing with the young men. Against

this measure we would urge two things. First of all, we must be clear that compulsion is the typical way in which the totalitarian or dictatorial state deals with its subjects. Democratic states resort to compulsion only where it is the most efficient method of dealing with problems of vital importance, such as the prosecution of a war, the organisation of national defence or to safeguard the well-being of its subjects from being menaced by unrestrained licence. Examples of such justified compulsion are conscription, the compulsory detention of criminals in prison, the compulsory third-party insurance of motorists against accidents, compulsory notification of diseases, etc. The second condition is that compulsion should only be applied when it is clearly the most efficient method of dealing with the problem and when other methods that might reasonably be expected to succeed have failed. These are the two conditions which we shall have to look for in the case of the proposed compulsion applied to the young unemployed man.

To take the first condition first. It is clear that the young unemployed man who is refusing training, or who is suspected to spend less effort on getting a job than he ought to, is not directly endangering the well-being of his fellow-citizens, as are motorists running their cars on the roads or doctors keeping a case of typhoid secret. Our young unemployed man does, of course, threaten the well-being of those that are dependent on him whom he robs of decent maintenance by his attitude. But so does the employed man who spends half his wage on the Pools and on drinks. And the case for compulsion in the one case does not seem, on this ground, stronger than in the other. In an indirect sense the young unemployed man threatens the well-being of the community at large by his unreasonable attitude. For the community is deprived of his contribution to national production and has to lower its standards of living in order to maintain him in idleness. But this is hardly a direct attack on anybody's physical well-being, and also not a more insidious attack than that of the idle rich or the managers

of a monopolistic firm who use their ability in getting the output of their industry restricted rather than in getting it increased. Therefore, again, as long as compulsion is not used in all these cases there does not seem a strong moral basis for singling out the young unemployed man. In considering our first condition we are, therefore, thrown back upon the question: Is the problem vital enough for the continued existence of our society to justify the departure from democratic methods?

The answer is emphatically no. This will be surprising to many readers. We have grown to consider unemployment as the major source of waste in our present economic system, as the major drag on the standard of living of the community. It is time that it should be stated that this is not so. Are not "idle hands" the most visible sign—in fact, the very symptom of economic waste? All the same, unemployment is only one among many other sources of waste, and by no means the most important one. An author who has devoted much of his time to a study of unemployment conditions will certainly tend to over-rate rather than under-rate the importance of the problem. But in discussing the problem whether the application of compulsion is justified, we must keep a cool head and see unemployment in its right proportions.

The average percentage of unemployment, taking the last ten years which were a fair mixture of good and bad times, was about 15 per cent. or 1 in 7.¹ 15 per cent. is bad enough, but what does it mean in terms of economic waste? There, we shall have to state that of these 15 per cent. at least 4 per cent. represent the normal "turn-over of labour", that is the unavoidable interruption of the normal flow of production and the necessary or even desirable change of people into other jobs, where it cannot

¹ In fact, the true figure is lower than this because it can be proved from certain statistics that the rate of unemployment among the not insured part of the population is lower than the 15 per cent. unemployment among the insured part of the population, which alone is taken into account by the usual unemployment figures. But we shall ignore this point although it does strengthen our argument.

naturally be expected that the new job will always start on the very day after the old job ends. While there is, of course, waste in this "turnover of labour" which might be reduced by appropriate measures, it is not the waste of long-drawn unemployment which it is proposed to stop by compulsion. This leaves us with 11 per cent. unemployment, but it must not be supposed that the re-absorption of all the unemployed would increase national production and therefore the standard of living of the community by that much, 11 per cent. First of all, it must be supposed that the unemployed taken by and large are of less than average efficiency even though this may not be true of the unemployed in the Depressed Areas. In the second place the great majority of the unemployed are unskilled persons or if they are skilled persons their skill cannot be used because it is in obsolete processes. This diminishes greatly the value of their potential contribution to national production. This might, of course, be partially remedied by a prolonged period of compulsory training of young men; but then, if we restrict the discussion to the unemployment of young men we should, of course, find its importance even further shrinking in comparison with other sources of waste which, as we shall see presently, loom much larger than even the total problem of unemployment, and where the application of compulsion would, therefore, seem much more urgently required than in the case of unemployment. In the third place, if all the unemployed were set to work it would be very wrong to assume that they could all be used for increasing the readily available stream of those goods that represent the ultimate standard of living. In an advanced economy such as ours, only one part of the working force is producing such readily available goods; the other part is needed for producing the machines with which that first part produces the goods, for transporting that first part to their places of work, etc. Similarly, if the 11 per cent. of unemployed were set to work, a large proportion of them would have to be detached to provide the machines, means of trans-

port, etc., to enable the others to do their work. I think, on the whole, if we keep in our mind the figure of 5 per cent. of national production as indicating the extent of waste by unemployment—that we all could be by 5 per cent. richer than we are, if unemployment could be abolished, in other words, that we could add as many shillings to our weekly income as we are earning pounds now—we shall certainly not have understated the importance of the problem.

Now, is this waste of 5 per cent. created by unemployment the one waste so overwhelmingly important as to justify compulsion? The answer can only be given by comparison with other sources of waste. There are many such other sources of waste which we might use for this comparison, such as artificial restriction of production, the use of inefficient methods of production, avoidable illness, ignorance of the way in which money can best be spent, distortion of consumers' wants by excessive and mendacious advertising, lack of educational guidance to young people into the right kind of jobs, excessive tariffs, the artificial maintenance of certain branches of production by subsidies and many other sources of economic weakness. We do not argue that our present economic system has more sources of weakness than one of a radically different type, for instance, a socialist system or a fascist system. This does not follow at all, and is, moreover, quite beside the point, which is that unemployment is only one among many other sources of weakness. We now want to compare it with one particular source of weakness which seems to us overriding in importance all those already mentioned, and this is: the inequality of incomes.

Not many people are used to think of this inequality of incomes as economic waste in the same way as unemployment is, but in fact there is no doubt that it is in exactly the same category. Roughly speaking, it can be said that the utility of each unit of money will be much higher for poor persons than it is for rich persons. To a man with an income of £5,000 a year, a pound means

much less than to the man with £200 a year. Therefore, if one could make the distribution of incomes more equal by taking some money away from the £5,000 a year men and give it to the £200 a year men there is no doubt that the total utility would be higher than before, because money has been transferred from a place where its utility was low (because there was plenty of it) to a place where its utility is high (because there was very little of it). Thus by such a transfer in the direction of more equal distribution, the value of national production would be increased in exactly the same way as it is when unemployed people are being got back to work. It is not our view that a complete equality of incomes should be aimed at; neither do we ignore the fact that there is already a substantial re-distribution of income going on through progressive taxation, social services, and by other means. But our point is that even now there is much scope for a further re-distribution in the direction of greater equality, and that such a transfer would increase national production by much more than the 5 per cent. which the absorption of unemployment would add.

This can be proved very easily by a simple piece of arithmetic. Imagine that there is a cake of 100 pieces and that there are 100 people wanting a piece of cake, but that the cake is so distributed that 10 of the 100 people have 3 pieces each, another 10 have 2 pieces each, and the remaining 80 people must share the remaining half of the cake. This is a very moderate picture of how income is actually distributed and it takes already into account progressive taxation, social services, etc. Now let us assume that for the persons who have got 3 pieces each, the value of each piece is only one third of what it is to the great mass of the people who have got less than a piece, and that for the persons who have got 2 pieces each, the value of each piece is only half as much. Then we could take 20 pieces away from the 10 persons with 3 pieces each (this will still leave them 1 piece each) and we could take 10 pieces away from the persons with 2 pieces each. On our assumptions, the value of the 20

pieces taken away from the first group of persons would be trebled by sharing them out among the third group, and they would, therefore, be equivalent to 60 pieces before the re-distribution, an additional value of 40 pieces. Similarly, it is easy to see that another additional value of 10 pieces could be created by distributing the surplus of the second group. Thus a total addition to the value of the available product by 50 pieces or 50 per cent. of the previous total could be created by this re-distribution of income. This addition to the national product is, in the economic sense, just as real as any that could be obtained by everybody working 50 per cent. harder or longer, or by putting a number of unemployed back to work that is equal to half the number of those in work. It is difficult to believe that of this potential addition to the national product by 50 per cent., at least a substantial part could not be secured without damaging the working of the intricate income-producing mechanism called industry and trade.

What our arithmetic example has shown is that unemployment could not by any means appear to be the only or the most important problem to tackle now. If we admit the truth of this, there is one conclusion to be drawn to which we must face up squarely. If there are these other and even more important sources of waste that have got to be tackled, any measure of compulsion applied to particular groups of unemployed persons appears to be justified only if it is not an isolated measure, but only if it is part of a campaign against economic waste in any form, including the inequality of incomes, a campaign which wherever it is necessary uses compulsion, not only to coerce a particular group of people. If there is compulsion of unemployed men and *nothing else*, it seems that such a policy lacks moral basis and economic reason alike. It would amount to just singling out this one particular problem, which is not even the most important one, and applying that measure which is particularly dangerous for a democratic community, namely, compulsion, while at the same time much more progress

could be made in other ways where no compulsion may be necessary or where it is more justified by the resulting gain from it. If there is compulsion and *nothing else*, suspicion will be rife that the young unemployed men have been singled out, because not much resistance can be expected from them and because there is no courage to tackle the other and even more important kinds of economic waste. Now, as we have explained in the first part of this chapter, this is exactly the attitude towards society into which the young unemployed men have got already: a feeling that they are to be singled out, persecuted, degraded, their independence threatened. It is all very well to say that of course they have got the facts entirely wrong, that it is their present way of living on public money which is endangering their independence and that by forcing them to do what is good for them, society helps them to get on their own feet again. It is certainly not the way many unemployed men look at it. And we hope to have shown that just compulsion applied to them and *nothing else* will give to this at present unfounded attitude a great deal not only of confirmation, but even of justification. From our discussion of what we call the first condition of compulsion (is it worth it?) we conclude that the two contending parties in this question, fighting for compulsion or no compulsion, both miss the decisive point. The question should not be "compulsion or no compulsion?", but it should be "compulsion and what else?" On the strength of considerations such as these, the author of this book for one would support compulsion as a part of a general constructive economic policy of a bold character (Sweden is an example of such an economic policy). But he would deplore compulsion as an isolated measure, as just a show of force in dealing with obstinate young men.

Our second condition was that compulsion should only be used as a last resort when it was plain that no other means short of compulsion will avail. Now, many people believe that all the other means have been tried unsuccessfully. There have been subsidised trans-

ference schemes, and the young unemployed men have failed to make use of them. There have been Government Training Centres, and the young unemployed men have refused to go to them. There have been instructional centres and the young unemployed men have refused to take part in them. There have been physical training classes organised by the Ministry of Labour, and the young unemployed men have refused to get fit in them. There have been Social Service Clubs, run by the National Council of Social Service largely with Ministry of Labour money, and the young unemployed men have kept aloof from them. Isn't this sufficient proof that everything else has been tried on them, without avail?

We do not think so. It is true that many measures have been largely wasted on the young unemployed men. But it is not so much the number of various measures and schemes that matters here but the spirit behind them. All the approaches to the young men have come from the same spirit. It was the spirit of putting heavy moral pressure on the young unemployed man, of making it clear to him that he was a burden on the community, that he could not expect the community permanently to carry him, and that it was, therefore, up to him to relieve the community of that burden by doing what he was required to do. It is this method of putting the young unemployed man under moral pressure that has signally failed in so many cases. And no wonder. Because such an approach was, in the purest sense of the word, "unimaginative". It failed to take into account the peculiar attitude of the young unemployed man towards society, their resentful and guarded attitude towards it, the lesson he has had from his past history that you can only get your own "rights" when you can beat society at its own game. And now an approach is being made which gives the young unemployed man at the same time occasion and opportunity to beat society at its own game. Occasion, because the young unemployed man will resent the implicit assumption of such an approach to him, that

he is a burden on society. To the outside observer it might seem that this fact is indubitable, but it must be clearly understood that for the young unemployed man this seems to get the actual state of affairs upside down. His insistence on his independence does not allow him to admit to himself or anybody else that he is a burden on society; on the contrary, he will violently protest he has been victimised and singled out by society for unfair treatment. Therefore, an approach of moral pressure, of wagging the moral stick, of asking the young unemployed man: "Aren't you ashamed, a strong and healthy young man like you, to be kept by the tax-payers?" is bound to bring out all the antagonism and opposition of the young unemployed man just as surely as a hedgehog will put out his spikes if you try to touch him. And it gives them an opportunity to beat society because they know that in the last resort the thing to do is to remain firm and that then there is "nothing behind" this moral pressure, that this case is just like all the others in their experience, that the best policy for you is just to insist on your "rights" and not to be bluffed into surrender. And if some individual young man might be bluffed or frightened or persuaded into surrender, there won't be many of them. For the news of what the best policy is will spread like wild-fire through the talk in the queue and at the street corner or it is disseminated throughout the ranks of the young unemployed men by organisations such as the National Unemployed Workers' Movement.

So we have an undignified spectacle at the moment. The officials trying to bluff the young unemployed, knowing that in the last resort their bluff will be called. Moral pressure being put on the unemployed which remains ineffective because they do not recognise the moral authority from which that pressure issues. Moral pressure being exercised on them in the opposite direction by their friends and by the organisations which they feel are their own and which are, therefore, in a much better position to exert moral pressure. All this is a desperately messed attitude on both sides which should obviously

never have been allowed to come about. It is quite easy to understand and even to have some sympathy with those officials or citizens who try to get away from this messed-up state of affairs simply by putting "something behind" this moral pressure, namely the weapon of compulsion. The author of the book is quite prepared to believe that if the policy of moral pressure is the only possible approach to the young unemployed man it is better to have something to put behind that moral pressure rather than a policy of bluff. But the main point which he wants to put forward for the consideration of all those who read this book is that it is the policy of moral pressure that has failed. Not the policy of no compulsion. And while compulsion may be one step away from the ineffectiveness of the present approach, there seems to be a strong case for trying alternative policies to that of moral pressure.

The days in which this last part of our book has been written have given an object lesson of the sort of policy that could have been applied and how tragic it was that it has not been applied. For many of the same young people whose resistance to schemes to get them back to decent work we are asked to believe can only be broken by compulsion, have not by any means been lacking in willingness to submit to National Service of many different kinds. Why? I think the reason is that they have been addressed not with the wagging moral stick of the "aren't you ashamed", but that they have been turned to, to help in a cause which was worth helping; as one recent A.R.P. poster put it "We Need You". It is not too late to try this approach of the "we need you" in dealing with unemployment. It may seem a bold change of policy. But it seems to us a policy so infinitely more desirable than compulsion that it is at least worth trying.

The very fact that such a policy would, as we shall explain in a minute, involve such a drastic change of policy, would be a thing that augurs well for its success, because it would create a clean slate unburdened by the messy state of affairs we witness at present. And as it would

be society that makes a clean slate of it all, nothing could be better designed to alter the attitude of the young unemployed man. "We are mending our ways; now you are a sport and come on." Will there be many young unemployed men who are afraid to respond?

We shall not give a complete programme of such a new policy. We believe that it is a question of the right type of approach, of the right atmosphere created, and the right sort of measure will follow. But we shall mention some of those things that suggest themselves, that will indicate the spirit of that policy which we should wish to be proved a failure, before compulsion is to be applied. First of all, there should obviously be a guarantee, for every young man who completes the course of training to the satisfaction of his Centre, of work of a given kind at a given rate of wages for a given period, and if this cannot be obtained from a private employer it should be offered in a Government Ordnance Factory. There are two advantages in this. In the first place, the back is broken of all the mischievous rumours, many of them unfounded, about "what happened to a chap who let himself in for the slave gang". In the second place, it would secure that the employment provided would be an industrial continuation of the training and that care could be taken, particularly in Government Ordnance Factories, to consider the ex-trainees as persons who are still on their way from semi-skill to a skilled status and who should be helped on in that way. Now will this not be abused by the young unemployed men? Will they not, knowing their right to such work, be sticky about complying with the conditions or the pace of the new work? It is here that a bold conception of the New Policy would seem indicated. Let the young unemployed men themselves decide cases of this kind. There is for instance, the National Unemployed Workers' Movement. No doubt many people will object that this movement is too radical to collaborate in any constructive work, and that it seems mainly occupied with making things difficult for the officials and

catching the public eye by silly stunts. All this is true, but all the same the National Unemployed Workers' Movement or a movement of that sort is in its idea a genuinely democratic working-class movement just as much as the Trade Unions. If the Movement or any other newly created organisation would be recognised as the Trade Union of the unemployed and be allowed self-government of the Training Centres, we need have no fear but that the constructively minded and moderates would soon get the upper hand. To entrust the organisation of the Training Centres to this movement may seem a bold step, but it is one worth making. The vitally important thing is to make it clear that all that is being done to get them back to work is "their own show". Bold though this step may seem, it is not without precedent. The National Council of Social Service, as already mentioned, gets public money from the Ministry of Labour and from the Commissioner of the Special Areas, to run its centres and this arrangement has been a complete success. Why should not one organisation, existing or to be created, which the young unemployed men can truly consider as their own representatives be allowed to show, with the help of public money and naturally under the supervision of the authorities, what they can do to solve the problem of many young men rotting in idleness? I think such an arrangement can be trusted to make the Training Centres exciting places for the young unemployed men into which they will vie to get. And finally, if this arrangement is completely successful and a constructive and moderate Trade Union of the young unemployed comes into being and becomes the link between the working community and the unemployed man, no doubt the Trade Union Movement as a whole could be got out of its present unfortunate aloofness from all these attempts to help back into work those young men who are, on the whole, not the least unworthy future participants in a fundamentally democratic civilisation.

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